Against Oligarchy

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Essays and Speeches, 1970-1996

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Venice:
The Venetian Conspiracy

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Periods of history marked, like the one we are living through, by the convulsive instability of human institutions pose a special challenge for those who seek to base their actions on adequate and authentic knowledge of historical process. Such knowledge can come only through viewing history as the lawful interplay of contending conspiracies pitting Platonists against their epistemological and political adversaries.

There is no better way to gain insight into such matters than through the study of the history of the Venetian oligarchy, the classic example of oligarchical despotism and evil outside of the Far East.

Venice called itself the Serenissima Republica (Serene Republic), but it was no republic in any sense comprehensible to an American, as James Fenimore Cooper points out in the preface to his novel The Bravo. But its sinister institutions do provide an unmatched continuity of the most hideous oligarchical rule for fifteen centuries and more, from the years of the moribund Roman Empire in the West to the Napoleonic Wars, only yesterday in historical terms. Venice can best be thought of as a kind of conveyor belt, transporting the Babylonian contagions of decadent antiquity smack dab into the world of modern states.

The more than one and one-half millennia of Venetian continuity is first of all that of the oligarchical families and the government that was their stooge, but it is even more the relentless application of a characteristic method of statecraft and political intelligence. Venice, never exceeding a few hundred thousand in population, rose to the status of Great Power in the thirteenth century, and kept that status until the Peace of Westphalia in 1648, thanks to the most highly developed system of embassies, of domestic and foreign intelligence, and related operational potentials.

As the following story details, Venice was at the center of the efforts to destroy the advanced European civilization of the eleventh and twelfth centuries, and bears a crushing burden of guilt for the ascendancy of the Black Guelphs and the coming of the black plague. The Venetians were the intelligencers for the Mongol army of Ghengis Khan and his heirs, and had a hand in guiding them to the sack of Baghdad and the obliteration of its renaissance in the thirteenth century.

The Venetians were the mortal enemies of the humanist Paleologue dynasty in Byzantium. They were the implacable foes of Gemisthos Plethon, Cosimo de' Medici, Leonardo da Vinci, Niccolo Machiavelli, and the entirety of the Florentine Golden Renaissance, which they conspired – successfully – to destroy. Venetian influence was decisive in cutting off the Elizabethan epoch in England, and in opening the door to the lugubrious Jacobean era.

Venetian public relations specialists were responsible for picking up the small-time German provincial heretic Martin Luther and raising him to the big-time status of heresiarch among a whole herd of total- predestination divines. Not content with this wrecking operation against the Church, Venice was thereafter the "mother" for the unsavory, itinerant Ignatius of Loyola and his Jesuit order. After the Council of Trent, Venice was also the matrix for the Philosophe- Libertin ferment of the delphic, anti-Leibniz Enlightenment. Venice beat Thomas Malthus and Jeremy Bentham to the punch in inflicting British political economy and philosophical radicalism on the whole world.

Although Napoleon Bonaparte had the merit of forcing the formal liquidation of this loathsome organism during his Italian campaign of 1797, his action did not have the effect we would have desired. The cancer, so to speak, had already had ample time for metastasis – into Geneva, Amsterdam, London, and elsewhere. Thus, though the sovereign political power of Venice had been extinguished, its characteristic method lived on, serving as the incubator of what the twentieth century knows as fascism, first in its role as a breeding ground for the protofascist productions of Wagner and Nietzsche, later in the sponsorship of fascist politicians like Gabriele D'Annunzio and Benito Mussolini. The Venetians ran a large chunk of the action associated with the Parvus Plan to dismember Russia, and may well have been the ones who surprised everyone, including London, by unleashing World War 1 in the Balkans.

Most important, Venice is today through its Cini Foundation and its Societé Europeenne de Culture the think tank and staging area for the Club of Rome and related deployments. Venice is the supranational homeland of the New Dark Ages gang, the unifying symbol for the most extreme Utopian lunatic fringe in the international intelligence community today.

Get to know Venice. Then look back to the monetarist imbecility of Paul Volker, at the ideological fanaticism that radiates forth from the Bank of America, Chase Manhattan, the Bank for International Settlements and the rest. You will recognize the unmistakable putrid stench of a Venetian canal, where the rotting marble palaces of generations of parasites are corroded by the greatest cynicism and cruelty the world has ever known.

THE ORIGINS

In the Middle Ages the Venetians were known as the archetypes of the parasite, the people who "neither sow nor reap." For the Greeks, they were the hated "frogs of the marshes." In Germany, a folk tale describes the merchant of Venice as an aged Pantaloon who makes his rounds robbing men of their human hearts and leaving a cold stone in their place.

Closer to the essence of Venice is the city's symbol, the winged lion of St. Mark, bearing the misleading inscription, Pax Tibi Marce, Evangelista Meus ("Peace be with you Mark, my evangelist.") The chimerical winged lion comes out of the East, either from Persia or from China. The symbol is thus blatantly pagan, with St. Mark being added as an afterthought because of his alleged visit to the Venetian lagoons. To buttress the story, the Venetians stole St. Mark's body from Alexandria in Egypt, and Tintoretto has a painting celebrating this feat.

The point is that Venice looks East, toward the Levant, Asia Minor, central Asia, and the Far East, toward its allies among the Asian and especially Chinese oligarchies which were its partners in trade and war. This is reflected in a whole range of weird, semi-oriental features of Venetian life, most notably the secluded, oriental status of women, with Doges like Mocenigo proudly exhibiting a personal harem well into modern times.

Venice today sits close to the line from Lubeck to Trieste, the demarcation between NATO and Warsaw Pact Europe, roughly corresponding to the boundary between Turks in the East and Christians in the West, and still earlier between the Holy Roman and Byzantine Empires. Into this part of the northern Adriatic flow the rivers of the southern side of the Dolomites and the Julian Alps. The greatest of these is the Po. These rivers, around 300 A.D., made the northern Adriatic a continuous belt of marshes and lagoons about fifteen kilometers wide, and extending from the city of Ravenna around to the base of the Istrian Peninsula, where the Italian- Yugoslavian border lies today.

In the center of this system was Aquileia, starting point of an important north-south trade route across the Brenner Pass to the Danube Valley and Bohemia. Aquileia was the seat of a patriarch of the Christian Church, but its tradition was overwhelmingly pagan, and typified by rituals of the Ancient Egyptian Isis cult. For a time after the year 404, Ravenna and not Rome was the capital of the Roman Empire in the West. After the extinction of the western empire, Ravenna was the seat of government of Theodoric the Ostrogoth, the court visited by Boethius. Later Ravenna was the capital of a part of Italy ruled by the Byzantines.

The islands of the lagoons provided an invulnerable refuge, comparable to Switzerland during World War II, for Roman aristocrats and others fleeing the paths of Goth, Hun, and Langobard armies. Already between 300 and 400 A.D. there are traces of families whose names will later become infamous: Candiano, Faliero, Dandolo. Legend has it that the big influx of refugees came during the raids of Attila the Hun in 452 A.D. Various areas of the lagoons were colonized, including the present site of Torcello, before the seat of administration was fixed at a group of islands known as Rivus Altus ("the highest bank"), later the Rialto, the present location of the city of Venice. The official Ab Urbe Condita is March 25, 721 A.D. Paoluccio Anafesto, the first ruler of the lagoon communities, called the doge (the Venetian equivalent of Latin dux or Florentine duca/duce, meaning leader or duke), is said to have been elected in the year 697.

The most significant fact of this entire period is that the whelp of what was later to become Venice survived and grew thanks to its close alliance with the evil Emperor Justinian in Constantinople, an alliance that was underlined in later years by intermarriage of doge and other leading Venetian oligarchs with the nobility of Byzantium, where a faction embodying the sinister traditions of the Roman Senate lived on for a thousand years after the fall of Rome in 476.

Venetian families are divided into two categories. First come the oldest families, or Longhi, who can claim to prove their nobility substantially before the year 1000. The Longhi include many names that are sadly familiar to the student of European history: Dandolo, Michiel, Morosini, Contarini, Giustinian (perhaps related to the just- mentioned Byzantine emperor), Zeno, Corner (or Cornaro), Gradenigo, Tiepolo, and Falier. These old families held a monopoly of the dogeship until 1382, at which time they were forced to admit the parvenu newcomers, or Curti, to the highest honor of the state. After this time new families like Mocenigo, Foscari, Malipiero, Vendramin, Loredano, Gritti, Dona, and Trevisan came into the ascendancy.

These families and the state they built grew rich through their parasitizing of trade, especially East-West trade, which came to flow overwhelmingly through the Rialto markets. But there is a deeper reality, one which even derogatory stories about spice merchants are designed to mask. The primary basis for Venetian opulence was slavery. This slavery was practiced as a matter of course against Saracens, Mongols, Turks, and other non-Christians. In addition, it is conclusively documented that it was a matter of standard Venetian practice to sell Christians into slavery. This included Italians and Greeks, who were most highly valued as galley slaves. It included Germans and Russians, the latter being shipped in from Tana, the Venetian outpost at the mouth of the Don, in the farthest corner of the Sea of Azov. At a later time, black Africans were added to the list and rapidly became a fad among the nobility of the republic.

THE POLITICAL ECONOMY OF SLAVERY

During the years of the Venetian overseas empire, islands like Crete, Cyprus, Corfu, Naxos, and smaller holdings in the Aegean were routinely worked by slave labor, either directly under the Venetian regime, or under the private administration of a Venetian oligarchical clan like the Corner, who owed their riches to such slavery. In later centuries, the harems of the entire Ottoman Empire, from the Balkans to Morocco, were stocked by Venetian slaves. The shock troops of the Ottoman Turkish armies, the Janissaries, were also largely provided by Venetian merchants. A section of the Venetian waterfront is still called Riva Degli Schiavoni – slaves' dock.

Around 1500, the Venetian oligarch Cristofor da Canal, the leading admiral of the Serenissima Repubblica at that time, composed what he described as a Platonic dialogue concerning the relative merits of galley slaves: the Italians the worst, Dalmatians better, the Greeks the best and toughest of all, although personally filthy and repulsive. In the seventeenth and eighteenth centuries Venice had treaty relations with other states, like Bavaria, by which convicts were delivered to the Serenissima to work as life-long galley slaves.

Indistinguishable from slave gathering operation were piracy and buccaneering, the other staples of the Venetian economy. Wars with Genoa or with other powers were eagerly sought-after opportunities to loot the enemy's shipping with clouds of corsairs, and victory or defeat usually depended more on the success of the privateering than on the direct combat of the galleys, cogs, and soldiers of the battle fleets.

Piracy shades over imperceptibly into routine commerce. Through decades of treachery and mayhem, the Venetians were able to establish themselves as the leading entrepot port of the Mediterranean world, where, as in London up to 1914, the vast bulk of the world's strategic commodities were brought for sale, warehousing, and transshipment. The most significant commodities were spices and silks from India and China, destined for markets in Central and Western Europe. Europe in turn produced textiles and metals, especially precious metals, for export to the East.

Venetian production from the earliest period until the end was essentially nil, apart from salt and the glass manufactures of Murano. The role of the Venetian merchant is that of the profiteering middleman who rooks both buyer and seller, backing up his monopolization of the distribution and transportation systems with the war galleys of the battle fleet.

The Venetian approach to trade was ironically dirigistic. Venice asserted a monopoly of all trade and shipping in the northern Adriatic. The Serenissima's own functionaries organized merchant galley fleets that were sent out one or two times a year to key ports. The galleys were built by the regime in its shipyards, known as the Arsenal, for many centuries the largest factory in the world. They were leased to oligarchs and consortia of oligarchs at a type of auction. Every detail of the operation of these galley fleets, including the obligation to travel in convoy, was stipulated by peremptory state regulation.

In the heyday of Venice, galley fleets were sent to Tana and to Trebizond in the Black Sea, to Crete, Rhodes, and Cyprus on the way to Beirut in the Levant, to Tunis, Tripoli, Algiers, Oran, and Alexandria in North Africa, as well as to Spanish, French, and west coast Italian cities. Especially well-served was "Romania," the area roughly corresponding to modern Greece. Another galley route passed through Gibraltar on the way to Southampton, London, Antwerp, and Bruges.

Many of these galley ports correspond to continuing Venetian influence today. In every instance the Venetians sought to skim the cream off the top of world trade. Their profit margins had to be sufficient to cover a "traditional" twenty percent interest rate, the financing of frequent wars, and maritime insurance premiums, in which they were pioneers.

THE VENETIAN STATE

The tremendous stability of the Venetian state has fascinated historians. How is it possible to maintain the great power of Venice for more than a millennium and a half without being conquered from the outside, and without significant upheavals from within?

Venice remained impervious to foreign invasion from the first settlement until 1797. The monolithic iniquity of Venetian state institutions was seriously disturbed no more than a half dozen times from within the city, and such incidents were speedily terminated by bloodbaths that restored stability rather than spurring more violence. This feature of the Venetian oligarchical system contrasts sharply with that of its rival, Genoa, where each regime from 1300 to 1500 had the life expectancy of an Italian government today. It contrasts sharply with the papacy, where the highest office was up for grabs every dozen years or less, and where humanist factions could sometimes prevail.

In Venice, the bloody resolution of internal faction fights within the oligarchy was suppressed to a minimum, and these energies were effectively sublimated in the depredation of the outside world. The raging heteronomy of each oligarch was directed outward, not at his factional rivals. In the typology of Plato's Republic, Venice is an oligarchy, "a constitution according to property, in which the rich govern and the poor man has no share in government," "the rule of the few, constitution full of many evils." This oligarchy has a residue of timocracy, of rule based on honor. But at the same time the Venetian regime was perversely aware of Plato's description of the swift transition from oligarchy to democracy and thence to tyranny, and against this evolution the patriciate took measures.

Plato notes in Book VIII of The Republic that a "change in a constitution always begins from the governing class when there is a faction within; but so long as they are of one mind, even if they be a very small class, it is impossible to disturb them." The threat of factionalization is located in the "storehouse full of gold, which every man has," and which "destroys such a constitution." The oligarchs "lay a sum of money, greater or less, according as the oligarchy is more or less complete, and proclaim that no one may share in the government unless his property comes up to the assessment. This they carry out by force of arms, or they have used terror before this to establish such a constitution."

Venice lasted as long as it did because of the effective subordination of the oligarchs and families to the needs of the oligarchy as a whole, by the ironclad delimitation of noble status to those already noble in 1297 and their male descendants, and by continuous terror against the masses and against the nobility itself.

All male members of the approximately one hundred fifty noble families had the permanent right to a seat in the Gran Consiglio, or Great Council, which grew to 2000 members around 1500 and thereafter slowly declined. The seat in the Gran Consiglio and the vote it brought were thus independent of which faction happened to be calling the shots at a given moment. The ins might be in, but the outs were sure of their place in the Gran Consiglio, and this body elected the key governing bodies of the regime.

The first of these were the one hundred twenty members, or Pregadi, of the Senate, the upper house which oversaw foreign affairs by choosing the Venetian ambassadors. In the middle of the fifteenth century, Venice was the first and only power which regularly maintained permanent legations in all principal courts and capitals. The Senate also chose five war ministers, five naval ministers (all called Savi), and six Savii Grandi, ministers of still higher rank.

The Gran Consiglio elected a Council of Forty, which was first devoted to budget and finance matters, later more to criminal

prosecution. The Gran Consiglio chose three state prosecutors, who could and did sue any official of the state for malfeasance, although the doge was accorded the privilege of being tried after his death, with his family paying any fines levied. The Gran Consiglio also elected the doge himself, through an incredible Byzantine procedure designed to assure a representative choice. First, thirty members of the Gran Consiglio were chosen at random, using colored balls whose Venetian name is the origin of the American word ballot. These thirty drew lots to cut their number down to nine, who then nominated and elected a new group of forty electors. These were then cut down by drawing lots to a group of twelve. This procedure was repeated several times, terminating with a group of forty-one electors of whom twenty-five could nominate a doge for the approval of the Gran Consiglio. Somewhat less complicated procedures were used to select a group of six advisors for the doge.

Most typical of the Venetian system is the Council of Ten, established in 1310 as the coordinating body for foreign and domestic political intelligence operations. Meeting in secret session together with the doge and his six advisors, the Ten had the power to issue a bill of capital attainder against any person inside Venetian jurisdiction, or abroad. If in Venice, that person was generally strangled the same night and the body thrown into the Canale degli Orfani.

The Ten had at their disposal a very extensive foreign intelligence network, but it was inside Venetian territory that their surveillance powers became pervasive: the contents of any discussion among oligarchs or citizens was routinely known to the Ten within twenty-four hours or less, thanks to the ubiquity of its informers and spies. Visitors to the Doge's Palace today can see mail slots around the outside of the building in the shape of lion's mouths marked Per Denontie Segrete ("For Secret Denunciations") for those who wished to call to the attention of the Ten and their monstrous bureaucracy individuals stealing from the state or otherwise violating the law. Death sentences from the Ten were without appeal, and their proceedings were never made public. Offenders simply disappeared from view.

The Venetian regime is a perverse example of the "checks and balances" theory of statecraft, and there were indeed a myriad of such feedback mechanisms. The Savii Grandi balanced the powers of the doge, who was also checked by his six advisors, while more and more power passed to the state inquisitors and the chiefs of the Ten. The state attorneys acted as watchdogs on most matters, as did the Senate, and in times of crises the Gran Consiglio would also assert its powers. The Ten were constantly lurking in the background.

Almost all officials except the doge were elected for terms averaging between six months and one year, with stringent provision against being reelected to an office until a number of months had passed equal to the oligarch's previous tenure in that post. This meant that leading oligarchs were constantly being rotated and shunted from one stop on the Cursus Honorum to another: to Savio Grande to ducal advisor to state inquisitor and so forth. There was no continuity of the population of Venice; the continuity was located only in the oligarchy. In fact, the population of the city seemed unable to reproduce itself. Venice suffered astronomical rates of mortality from malaria and the plague – its canals, it must be remembered, were first and foremost its sewer system. The decimated natives were continually replenished by waves of immigration, so much so that the Frenchman Philippe de Comynes, an adversary of Machiavelli, could report that the population was mostly foreigners.

Internal order was entrusted to an intricate system of local control in each of the city's sixty parishes, meshing with an elaborate apparatus of corporatist guilds called the Scuole. This was supplemented by an unending parade of festivals, spectacles, and carnivals. Very few troops were usually stationed in the city.

So much for the phenomena. Reality was located in the fact that an elite of ten to fifteen families out of the one hundred fifty effectively ruled with an iron hand. Various Venetian diarists let the cat out of the bag in their descriptions of corruption and vote-buying, especially the bribery of the impoverished decadent nobility, called Barnabotti, who were increasingly numerous in the Gran Consiglio. The regime ran everything, and offices of all types were routinely sold.

This reality of graft was also known to Dante. The poetical geometry of Canto 21 of the Inferno, the canto of the grafters or Barattieri, is established by a reference to the Venetian Arsenal and the pitch used to caulk the hulls of the galleys:

As in the Arsenal of the Venetians
Boils in the winter the tenacious pitch
To smear their leaky vessels over again,
For sail they cannot.

The souls of the grafters are immersed in the boiling pitch, where they are guarded by the Malebranche, grotesque winged monsters armed with spears and hooks: a fitting allegory for the souls of the Venetians.

Dante visited Venice in 1321, acting in his capacity as diplomatic representative of the nearby city of Ravenna, whose overlord was for a time his protector. He died shortly after leaving Venice. The two explanations of his death converge on murder: one version state that he was denied a boat in which to travel south across the lagoon. He was forced to follow a path through the swamps, caught malaria, and died. Another version says that a boat was available, but that to board it would have meant certain assassination. Venetian records regarding this matter have conveniently disappeared.

PETRARCH VERSUS ARISTOTLE

The Venetian method of statecraft is based on Aristotle – the deepest Aristotelian tradition in the West. Long before the era of Albertus Magnus (1193-1280) and St. Thomas Aquinas (1225-1274), Venice had established itself as the chief center for the translation and teaching of Aristotle's works.

In the year 1135, the Senate sent Giacomo da Venezia to Byzantium, where he was trained in post-Justinian Aristotelian orthodoxy, returning to Venice after two years to begin lectures on Aristotle and to prepare Latin versions of the Greek texts he had brought back with him. A school of Aristotelian doctrine was set up at the Rialto market, the heart of the business and commercial activity of the city. When Venice conquered Padua at the beginning of the fifteenth century, Aristotelian hegemony was imposed on the University of Padua, which became the only one where Venetian nobility were allowed international clientele, especially from Germany.

The inveterate Aristotelianism of Venice is the starting point for a major literary attack on that city by Francesco Petrarch, son of Dante's personal secretary, who took up the responsibility of servicing Dante's humanist networks during the disastrous years around the middle of the fourteenth century. Although these were the years of the Black Death, Petrarch ("Fraunces Petrak the laureate poet" as Chaucer knew him) was the soul of a tenacious humanist rearguard action, with spirited counterattacks at every opportunity, that made the later Italian Renaissance possible.

Petrarch was a contemporary of the Ciompi revolt against oligarchical rule in Florence; he was certainly involved in Cola di Rienzo's seizure of power in Rome in May, 1347. The real story of Petrarch's literary and political achievements has yet to be told. Nonetheless, the fact that he was a determined foe of Venice and its ideology is abundantly clear.

In 1355 Venice had just passed through one of its infrequent internal crises, usually explained as the attempt of the Doge Marin Faliero to overthrow the regime and establish a Signoria, or personal dictatorship, of the type common in Italy at the time. Marin Faliero was publicly decapitated by the Council of Ten.

Petrarch might have had a hand in this operation; during this period he was a frequent guest at the court of the Da Carrara rulers of Padua, about thirty kilometers from the Venetian lagoon. Petrarch may have developed plans for injecting a dose of Platonism into the intellectual life of the Serenissima. Petrarch proposed that he be allowed to take up residence in Venice and locate his library there; the books would remain as a bequest to the city after his death, forming the nucleus of what would have been the first public library in Europe. The Venice authorities accepted, and Petrarch, the most celebrated intellectual of his times, took up his residence on the Riva degli Schiavoni.

Soon he began to receive the visits of four Venetian Aristotelians, whom he later referred to as "my four famous friends." These four oligarchs were Tommaso Talenti, Guido da Bagnolo, Leonardo Dandolo, and Zaccaria Contarini, the latter two of the most exalted lineage. After several discussions with Petrarch, these four began to circulate the slander that Petrarch was "a good man, but without any education."

Petrarch shortly abandoned the library project and soon thereafter left Venice permanently. His answer to the slanderers is contained in his treatise "De Sui Ipsius et Multorum Ignorantia" (1367) (with a swipe at Aristotle in the title), his most powerful piece of invective-polemical writing.

Petrarch scored Aristotelian scholastic philosophy as "a prostitute who delights to worry about vain questions of words." Real philosophy, with the clear purpose of advancing morality, he said, is to be found in St. Augustine. All that Aristotle is capable of doing is providing a delphic description of what the external attributes of morality might look like. To the authority of Aristotle, Petrarch counterposed the Platonism of the New Testament, saying that Christ, not Aristotle, was for him the decisive guide. His "four friends," he asserted, were not Christian, but preferred to follow their favorite philosopher in their sophistry, blasphemy, and impiety. They mocked Christ, and were so pretentious that they could not even understand their own arguments.

Petrarch pointed out that Aristotle provided his followers with all sorts of strange and curious lore, like the number of hairs on a lion's head or of feathers in a hawk's tail, how elephants copulate backwards, how the phoenix arises out of his own ashes, how the only animal that can move its upper jaw is the crocodile. But these facts are not only useless, he said, they are false. "How could Aristotle know such facts, since neither reason nor experience reveal them? Concerning the ultimate objects of philosophy, Aristotle is more ignorant than an old peasant woman.

Venetian nominalism went hand in hand with the most vicious avarice. In a play written in Venetian dialect by Carlo Goldoni in the eighteenth century, a Pantalone-type miser comes home to find wife and daughter busily engaged in needlework. The two women look up briefly and say hello. The miser flies into a rage screaming "What? You quit working to pay me compliments!"

An eminent witness of this typical Venetian vice was Erasmus of Rotterdam, who was to the years after 1500 what Petrarch had been in his own time: Leader of the Platonic humanist faction. Erasmus came to Venice in 1508, on the eve, interestingly enough, of the attempt to annihilate Venice in the War of the League of Cambrai. Erasmus came to get in touch with Aldo Manunzio, the Aldus who owned what was at that time the largest and most famous publishing house in the world.

Venice had reacted to the invention of moveable-type printing by Johannes Gutenberg of Mainz in a way that foreshadowed the reaction of the British oligarchy in this century to radio, the movies, and television. They had immediately attempted to seize control of the new medium. Dozens of Gutenberg's apprentices from the Rhein-Main area were bought up and brought to Venice, where the production of books up to 1500 and beyond was frequently a multiple of the number of titles published in the rest of the world combined.

Aldus was the William Paley and Jack Warner of the industry. Martin Luther was one of that industry's later creations. Aldus brought out the works of Aristotle in Greek shortly after he began operations in 1495. Plato had to wait for almost twenty years.

One of Erasmus' goals in visiting Venice was to accelerate the publication of Plato. He stayed at the home of Aldus' brother-in-law. Erasmus writes about his Venetian sojourn some time later, in the dialogue titled "Opulentia Sordida" of the Colloquia Familiaria. The Urbs Opulenta referred to is of course the wealthiest of all cities, Venice. Aldus appears as Antronius ("the caveman"), described as a multi- millionaire in today's terms.

Erasmus had been away, and is asked by a friend how he got so skinny. Has he been working as a galley slave? Erasmus replies that he has undergone something far worse: ten months of starvation in the home of Antronius. Here people freeze in the winter because there is no wood to burn. Wine was a strategic commodity in Erasmus' opinion, as indeed it was in a time when water was often very unsafe to drink. To save money on wine, Antronius took water and faeces annorum decem miscebat (mixed it with ten year old shit), stirring it up so it would look like the real thing. His bread was made not with flour, but with clay, and was so hard it would break even a bear's teeth. A groaning board on the holidays for a houseful of people and servants was centered around three rotten eggs. There was never meat or fish, but the usual fare was sometimes supplemented by shellfish from a colony that Antronius cultivated in his latrine. When Erasmus consulted a physician, he was told that he was endangering his life by overeating. Erasmus' friend in the dialogue concludes that at this rate, all Germans, Englishmen, Danes, and Poles are about to die. Finally, Erasmus takes his leave, to head for the nearest French restaurant.

VENETIAN INTELLIGENCE

What was the Venetian political intelligence method? The classical Venetian predicament is that of the weaker power attempting to play off two or more major empires. This was the case when the Venetian power was in its very infancy, and survival depended upon playing off the Langobard Kingdom of Italy against the Byzantines. This ploy was later replaced by the attempt to play the Byzantines off against the Carolingian Empire in the West, an attempt that almost misfired when the army of Charlemagne under Pippin laid siege to Venice inside its lagoons. That siege, however, was not successful.

In the eleventh century, the Venetians successfully incited the Norman barons operating out of Sicily under Robert Guiscard to attack Byzantium, and then moved in to offer the desperate Byzantines protection. The price for that protection was indicated by the famous Golden Bull of 1082, a decree of the Byzantine Emperor by which Venice acquired tax customs-free access to the whole of the eastern empire, where the Greeks themselves had to pay a tax of 10 percent on their own transactions. Thus began a hatred for Venice among the Greek population which persists down to the present day.

In the sixteenth century, Venetian strategic doctrine was to play the Ottoman Turks against the Spanish and Austrian Hapsburgs, and then to correct any residual strategic imbalance by playing the Hapsburgs off in their turn against the French. Sometimes Venice attempted to play the Portuguese rival power off against the Dutch. Later this was expanded to include playing the Dutch against the English, and the English against the French.

The Venetians also goaded forces out of the East to attack Christendom. Venice was the manipulator of Saracens, Mongols, and Turks, and got along with the slave-trading factions in each of these groups about as well as a power like Venice could get along with anybody. In particular, the Venetians were more willing to see territory – excepting Venetian territory – be occupied by the Turks than any other power. Venice was thus the past master of the more exotic permutations of the stolid old British dividi et impera, "divide and conquer."

But the essence of their strategic doctrine was something more abstruse, something sometimes described as the "collapse of empires" scenario. Venice parasitized the decline of much larger states, a decline that Venice itself strove to organize, sometimes in a long and gradual descending curve, but sometimes in a quick bonanza of looting.

Venice was repeatedly confronted with the problem posed by a triumphant enemy, at the height of his power, who would be perfectly capable of crushing the Serenissima in short order. This enemy had to be manipulated into self-destruction, not in any old way, but in the precise and specific way that served the Venetian interest. Does this sound impossible? What is astounding is how often it has succeeded. In fact, it is succeeding in a very real sense in the world today.

The most spectacular example of Venetian manipulation of the dumb giants of this world has gone down in history as the Fourth Crusade. At a tournament in the Champagne in 1201, the Duke of Champagne and numerous feudal barons collectively vowed to make a fighting pilgrimage to the sepulcher of Our Lord in Jerusalem. Here they were to reinforce a French garrison hard-pressed by the Turk Saladin. For many of them, this involved penance for certain misdeeds, not the least of which was a plot against their own sovereign liege, the king.

Reaching the Holy Land required transportation, and the French knights sent Geoffrey of Villehardouin to Venice to negotiate a convoy of merchant galleys with an appropriate escort of warships. Geoffrey closed the deal with the Doge Enrico Dandolo, blind and over eighty years old. Dandolo drove a hard bargain: for the convoy with escort to Jerusalem and back, the French knights would have to fork over the sum of 85,000 silver marks, equal to 20,000 kilograms of silver, or about double the yearly income of the King of England or of France at that time.

When 10,000 French knights and infantry gathered on the Lido of Venice in the summer of 1202, it was found that the French, after pawning everything down to the family silver, still owed the Venetians 35,000 marks. The cunning Dandolo proposed that this debt could easily be canceled if the crusaders would join the Venetians in subjugating Zara, a Christian city in Dalmatia, across the Adriatic from Venice. To this the knights readily agreed, and the feudal army forced the capitulation of Zara, which had been in revolt against Venice.

At this point Dandolo made the crusaders a "geopolitical" proposal,

pointing out that the emperor of Byzantium was suspected of being in alliance with the Saracens, and that an advance to the Holy Land would be foolhardy unless this problem were first dealt with. As it happened, the Venetians were supporting a pretender to the Byzantine throne, since the current emperor was seeking to deny them their trading privileges. The pretender was the young Alexios, who promised the knights that if they helped him gain power, he would join them on the crusade with an army of 10,000 Greek soldiers.

Thus, from 1203 to 1204, Constantinople was besieged by the joint Franco-Venetian expeditionary force, which finally succeeded in breaking through the fortifications along the Golden Horn, the bay on the north side of the city.

Byzantium was sacked in an orgy of violence and destruction, from which the Venetians brought back as booty the four bronze horses which generally stand on the Basilica of St. Mark, but which are often exhibited in other cities. Count Baudoin of Flanders was place on the throne of a new concoction titled the Latin Empire of Constantinople. The doge of Venice received a piece of the action in the form of the title Lord of Three Eighths of the Latin Empire. Venice took over three-eighths of Constantinople, a permanent Venetian colony with its own battle fleet. Lemnos and Gallipoli came into Venetian hands. Crete was annexed, and were Naxos and related islands, and the large island of Euboa, which the Venetians called Negroponte. On the Ionian side, the Venetians appropriated Modon and Koron and several islands up to and including Corfu. All Venetian trading privileges in Greece were restored.

The loot brought back from the sack of Constantinople was greater than anything Europe would see until the Spanish treasure fleets from the New World several centuries later. Venice had acquired a colonial empire of naval bases, and was hegemonic in the eastern Mediterranean. To top it all off, the sultan of Egypt had paid a substantial bribe to Dandolo to keep the Crusaders out of Palestine in the first place.

For the human race, the Fourth Crusade was an unmitigated tragedy. The hypertrophy of Venetian power in the Mediterranean was one of the decisive factors ensuring the later defeat of Emperor Federigo II of Hohenstaufen, King of Sicily. The Venetian puppet "Latin Empire" was overthrown by the Paleologues in 1261, but by that time Federigo was gone. By 1266-68, Federigo's two sons and their Ghibelline supporters were defeated by Charles of Anjou, and the last representative of the Hohenstaufen dynasty was beheaded in the public square of Naples. The triumph of the Black Guelphs had become irreversible.

A further contributing factor in this tragedy was doubtless the Mongol hordes. At about the time the Venetians were sacking Constantinople, Ghengis Khan ruled over an empire that extended from Korea all the way to Iran, and which was rapidly advancing to the West. Batu, a nephew of Ghengis, defeated the Bulgarians in 1236, captured Kiev in the Ukraine in 1240, and swept into Poland. In Silesia in 1241 the German and Polish feudal army, including the Teutonic Knights, was annihilated. Later in the same year the Mongols defeated the Hungarians. The Mongols did not, for reasons that are not clear, advance further westward, but the Mongol Golden Horde that imposed its hegemony over Russia was the beginning of Russia's economic and cultural backwardness. For some loosening of the Mongol yoke, the Russians would have to fight the titanic battle of Kulokovo Field on the Don in 1380.

In these Mongol victories, there was something more than mere numerical superiority at work. as one historian sums up the case:

The Mongols did not sweep in wildly and suddenly, like reckless barbarians. No indeed, they advanced according to careful plan. At every stage, the Mongol generals informed themselves ahead of time about the state of European courts, and learned what feuds and disorders would be advantageous to their conquests. This valuable knowledge they obtained from Venetian merchants, men like Marco Polo's father. It was thus not without reason that Polo himself was made welcome at the court of Kublai, and became for a time administrator of the Great Khan.

So the great Marco Polo, and the Venetian family from which he came, was responsible for directing the destruction of Ghengis Khan against Europe. The omnipresent Venetian intelligence was also a factor in the Mongol destruction of the Arab cultural center of Baghdad in 1258.

Friedrich Schiller and William Shakespeare both analyze the manipulative methods employed by the Venetian secret intelligence establishment; both considered Venetian intelligence one of their most formidable enemies. Much of Schiller's writing is dedicated in various ways to fighting the Venice- Genoa- Geneva combination that had held the financial reins of King Philip II of Spain.

Schiller's direct treatment of Venice is a fragment of a novel titled Der Geisterseher ("The Ghost Seer"). Its central character is a Sicilian charlatan, expert at bringing the spirits of the departed back into the world for the thrill-seeking nobility at seances. This Sicilian charlatan is a figure for a whole class of Venetian intelligence operatives, like Count Cagliostro, the mountebank who claimed to be the reincarnation of the leading Mason of ancient Egypt. Another of this breed was Emanuel Swedenborg. After Schiller's time, this category swelled considerably with theosophists like Madame Blavatsky, Annie Besant, Henry Steel Olcott, and with that archapparitionist Rudolph Steiner, founder of the Anthroposophy movement and the Waldorf schools.

In Schiller's tale, a young German prince in Venice for the grand tour is subjected to a series of manipulations by a sinister, masked Armenian, who informs him, before the fact, of the death of a close relative hundreds of miles away. At a gambling den, a young Venetian patrician picks a quarrel with the prince, who fears for his life until he is ushered into one of the chambers of the Council of Ten, where the offending patrician is strangled before his eyes. He comes into contact with the Sicilian mountebank, and then spends weeks attempting to ascertain the identity of a mysterious beauty he has seen at church.

He begins to frequent a semi-secret free-thinking club, called the Bucentoro after the golden ship used by the doge on occasions of state. At least one cardinal is also a member of the Bucentoro. He takes to gambling, loses heavily, and contracts immense debts. In the meantime, rumors are spread at his Protestant court that he has become a Catholic, which leads to his repudiation by his entire family. At the end of the fragment, his life has been ruined, and his death is imminent.

Shakespeare's "Othello, The Moor of Venice" is a more finished analysis of the same technique. It was written and performed shortly after 1603, when the Venetians and Genoese had acquired vast powers in England through the accession of their puppet James I to the throne.

Othello is a Moor, hired out to Venice as a mercenary, and at the apex of his power, having just won a victory over the Turkish fleet attacking Cyprus. He enjoys the full confidence of the Senate, and has just married Desdemona, the daughter of a patrician. Othello, the "erring barbarian," is however something of a dumb giant: his proficiency in the arts of war is unmatched, but his emotional makeup tends decidedly toward the naive and infantile. He has no real insight into affairs of state, or into psychology. Above all, he is superstitious and has a propensity for jealousy.

All of these weaknesses are systematically exploited by "honest Iago," a member of Othello's staff who is determined to destroy him. Iago is the figure of the Venetian intelligence officer, an expert in what he calls "double knavery" – the art of manipulation. He sets out to destroy Othello using an accurate psychological profile of the Moor, and exploiting above all Othello's naive willingness to trust his "honest Iago." Iago's modus operandi is to:

Make the Moor thank me, love me, and reward me,
For making him egregiously an ass
And practicing upon his peace and quit
Even to madness.

Iago uses his throwaway agent, the dupe Roderigo, for financing and services. He sets up scenes where he cons one participant with one story, briefs another participant with a different story, brings them together in a controlled environment, and exploits the resulting fireworks for his overall strategy. He sets up a fight between Roderigo and the drunken Cassio that leads to the wounding of Montano by Cassio, who is ousted as chief lieutenant by Othello. After this, he manipulates Desdemona's naive desire to help Cassio regain his post into prima facie evidence that Desdemona is an adulteress. Iago is then able to goad Othello all the way to killing Desdemona and, finally, himself.

At the center of the play are epistemological questions of truth and proof. In Act 3, Iago drives Othello wild with innuendoes about Desdemona's alleged adultery, and makes him commit to the murder of Cassio, all without the slightest shred of proof. What Othello then regards as definitive proof of adultery, sufficient to motivate the murder of Desdemona, is a handkerchief which Iago obtains and plants on Cassio. This handkerchief is an object of deep emotional and superstitious importance for Othello, as it had been given by his father to his mother. It had been his first love

token for Desdemona. When he sees it in the hands of Cassio, he is ready to kill.
Iago is well aware of Othello's epistemological weakness. When he first obtains the handkerchief, he gloats:

I will in Cassio's lodging lose this napkin,
And let him find it. Trifles light as air
Are to the jealous confirmations strong
As proofs of holy writ; this may do something.

Shortly thereafter, Othello demands certainty that Desdemona is betraying him. What would be definitive proof, Iago asks?

Would you, the supervisor, grossly gape upon -
Behold her tupp'd?

This kind of certainty, he says, is impossible to obtain, but he offers an inductive- deductive substitute:

But yet, I say,
If imputation and strong circumstances,
Which lead directly to the door of truth,
Will give you satisfaction, you might have't.

In the final scene, we can agree with Iago's wife Emilia that Othello is a gull and a dolt, a "murderous coxcomb … as ignorant as dirt." But the lesson is that not only Othello, but all those who love not wisely but too well, who, "being wrought" and "perplexed in the extreme," are potential victims of Venetian intelligence.

DESTRUCTION OF THE RENAISSANCE

Since the Venetian oligarchy relied for its survival on the secret weapon of political intelligence manipulation, its primary strategic targets were first and foremost dictated by epistemological rather than military criteria. Fleets and armies, even in the hands of a powerful and aggressive enemy state, could well redound to Venetian advantage. The real danger was a hostile power that developed epistemological defenses against manipulation and deceit. In the face of such a threat Venice did – and does – kill.
The Italian Renaissance of the fifteenth and sixteenth centuries, perhaps the greatest outpouring of human creativity in history, represented such a threat to the Serene Republic, and in a more concentrated form than it had ever faced before. The threat arose from the epistemological warfare and alliance system of the great Cosimo de' Medici of Florence and his successors. Venice mobilized every resource at its disposal to destroy the Renaissance. After decades of sabotage, going so far as to arrange the ravaging of Italy by foreign armies, Venice succeeded.
The potential political and epistemological power of the Italian Renaissance are best identified in the ecumenical council of the Church convened in Florence in the year 1438. The council, first convened in Ferrara, was moved to Florence at the urging of Cosimo de' Medici, who held power from 1434 to 1464. Cosimo was the major financial and political sponsor of the proceedings.
Cosimo was a self-declared enemy of Venice. On one occasion he wrote, "Association with the Venetians brings two things which have always been rejected by men of wisdom: certain perdition and disgrace."
The council had to deal with the ongoing crisis in the western church, which had been exacerbated by the struggle between the Council of Basel and Pope Eugene IV, who had been driven out of Rome by a revolt. In the East, the Ottoman Turks were beginning to recover from the crushing defeat that the Turkish Emperor Bajazet had suffered in 1402 at the battle of Ankara at the hand of Tamerlane the Great. The first, unsuccessful, Turkish siege of Constantinople had already been mounted in 1422.
The hope held out by the Council of Florence was to implement Nicolas of Cusa's program of the Concordantia Catholica – a community of principle among humanist sovereign states for cultural and economic development, against Venetians, Turks, and all enemies of natural law. To Florence came the Emperor of Byzantium, John VIII Paleologue, accompanied by his advisor Gemisthos Plethon and Plethon's student, Archbishop Bessarion of Nicea. The Latin delegation was titularly headed by Pope Eugene IV, heavily dependent upon the support of Cosimo de' Medici at that time. This delegation was dominated in outlook by men like Nicolas of Cusa, Leon Battista Alberti, Leonardo Bruni, Cardinal Capranica, and Aeneas Piccolomini of Siena, later Pope Pius II. The Greek and Latin delegations were each profoundly vitiated by powerful Aristotelian factions, but this was still one of the most impressive assemblies in history.
The culmination of the council was an impassioned oration by Plethon on the antithesis between Plato and Aristotle, a speech which went far beyond anything ever heard in the West. Marsilio Ficino, himself a participant at the council, tells the story of how Cosimo de' Medici, while listening to Plethon, made up his mind to create the Platonic Academy in Florence.
The most immediate question to be addressed was the reunification of the Roman and Greek churches, abrogating the mutual excommunications issued by the pope and the patriarch of Constantinople in 1054. The contending theologians debated the question of the "filioque" in the Latin credo, attempting to resolve the question of whether the Holy Spirit proceeds only from the Father, as the Greeks argued, or from the Son as well, according to the Roman view. The Greeks eventually agreed to recognize the correctness of the Latin position, although they declined to modify their own credo accordingly. The Paleologue emperor intervened repeatedly in these discussions, stressing that there were no real differences in doctrine, and that anyone who let nonexistent divergences stand in the way of common action against the Turks was a worse traitor than Judas. In the end a purely formal reunification of the two churches was attained, but it remained a dead letter.
Even so, Cosimo and his cothinkers came close several times to welding an alliance capable of dominating the world, and the first to pay the price of their success would have been the Venetians. Medici Florence was at the center of a network of trade and finance that was beginning to rival Venice, with the crucial difference that the Florentines were the producers, thanks to Cosimo's dirigism, of the textile products they offered for sale. The Duchy of Milan would shortly come under the domination of the condottiero (mercenary commander) Francesco Sforza, installed in power with the help of the Medici, and an enemy of Venice. In 1461 the humanist Louis XI would take the throne of France. This new king was determined to apply the concepts of statecraft developed in Italy, and considered the Venetians "insolent merchants." In 1460, the humanist Aeneas Silvius Piccolomini would be elected Pope Pius II; in the meantime he was in a position to influence Frederick III of Hapsburg, the Holy Roman Emperor.
The Venetian reaction to this potential for the implementation of an ecumenical Grand Design on the platform of the Italian Renaissance humanists was, predictably, to bring on the Turks once again. During all these years the Turks possessed a combined warehouse- residence- safehouse in Venice, the Fondaco dei Turchi, which facilitated dealings between the doge and the sultan. Spurred on by Venetian financing and Venetian-procured artillery, the Sultan Mohammed the Conqueror laid siege to Constantinople and captured it in 1453. The Turks were aided by the Greek patriarch, who had pronounced the defense of the Paleologue dynasty a heretical cause. Finally, it was the Genoese troops who opened the gates of the city to the forces of the sultan. Hardly a coincidence was the burning of the library of Constantinople with its matchless collection of Ionian and Platonic codices, most unavailable anywhere else since the library of Alexandria had been destroyed some fifteen centuries earlier. In their own sack of Constantinople in 1204, the Venetians had declined to appropriate these manuscripts.
The destruction of Byzantium by the Turks gave the Venetians a slogan with which to organize their war against the Renaissance. Since the Roman Empire had finally ended, it was left to the Venetians to arrogate to themselves the task of building a new Roman Empire. The foundation of a new Roman Empire became, in Venice, from the middle of the fifteenth century on, the leading obsession of the oligarchs.
"The Venetians are called new Romans," confided the patrician Bernardo Bembo to his diary. Francesco Sforza of Milan wrote that the Venetians were:
"obstinate and hardened, always keeping their mouths open to be able to bite off power and usurp the state of all their neighbors to fulfill the appetite of their souls to conquer Italy and then beyond, as did the Romans, thinking to compare themselves to the Romans when their power was at its apex."
Machiavelli wrote that the Venetians had "fixed in their souls the intention of creating a monarchy on the Roman model." This is corroborated by a dispatch of the ambassador of Louis XII of

France at the court of the Emperor Maximilian I some years later, which described the Venetians as:
"traders in human blood, traitors to the Christian faith who have tacitly divided up the world with the Turks, and who are already planning to throw bridgeheads across the Danube, the Rhine, the Seine, and Tagus, and the Ebro, attempting to reduce Europe to a province and to keep it subjugated to their armies."
These megalomaniac plans of the Venetians were no secret. In 1423, the Doge Tommaso Mocenigo had urged upon his fellow oligarchs a policy of expansionism which would make them the overlords "of all the gold and of Christendom."
The most penetrating indictments of the Venetians during this period were issued by Pope Pius II Piccolomino, who tried in vain to force Venice into joining a crusade against the Turks. A Venetian saying of this period was Prima son Vinizian, poi son Cristian. (I am a Venetian first, then a Christian.") In his Commentaries, Pius II excoriates the Venetians for their duplicitous treachery, and establishes the fact that they are a pagan, totalitarian state. The Venetians, he says, have acted in their diplomacy:
"with the good faith characteristics of barbarians, or after the manner of traders whose nature it is to weigh everything by utility, paying no attention to honor. But what do fish care about law? As among the brute beasts aquatic creatures have the least intelligence, so among human beings the Venetians are the least just and the least capable of humanity, and naturally so, for they live on the sea and pass their lives in the water; they use ships instead of horses; they are not so much companions of men as of fish and comrades of marine monsters. They please only themselves, and while they talk they listen to and admire themselves…. They are hypocrites. They wish to appear as Christians before the world, but in reality they never think of God and, except for the state, which they regard as a deity, they hold nothing sacred, nothing holy. To a Venetian, that is just which is for the good of the state; that is pious which increases the empire…. What the senate approves is holy even though it is opposed to the gospel…. They are allowed to do anything that will bring them to supreme power. All law and right may be violated for the sake of power."
During many of these years Venetians were in a tacit alliance with the Turks. When, for example, a revolt against Venetian rule in Albania was started, threatening the Venetian naval base at Durazzo, the Venetians made a deal with the Turks to crush the revolt. On one occasion Pius II received the Venetian ambassador to the Roman court and condemned Venetian policy with these words:
"Your cause is one with thieves and robbers…. No power was ever greater than the Roman empire and yet God overthrew it because it was impious, and He put in its place the priesthood because it respected divine law…. You think [your] republic will last forever. It will not last long. Your population so wickedly gathered together will soon be scattered abroad. The offscourings of fishermen will be exterminated. A mad state cannot long stand."
In 1464 Pius II, despite a serious illness, traveled from Rome to Ancona to personally lead a crusade against the Turks. He wished to force the hand of the Venetians, who had promised him a battle fleet. He died shortly after the Venetian warships arrived, and Venice thereupon pulled out of any serious fighting against the Turks. But his attack on "the mad state" was on target, then and now.
During the first half of the fifteenth century, much Venetian energy was devoted to a rapid expansion up the Po Valley toward Milan. They seized Padua, Vicenza, Verona, Brescia, and Bergamo, reaching the Adda River, just a few miles from Milan. With Milan under Venetian control, the "new Romans" could bid fair to dominate northern Italy and then the entire peninsula.
Cosimo de' Medici, as we have seen, secured a Florence-Milan alliance by supporting the claims of Francesco Sforza, fighting a was against Venice to do it. Basing himself on this Florence-Milan axis, Cosimo then proceeded to create an uneasy peace in Italy that was to last forty years. This was the Italian League, formed at the Peace of Lodi in 1453, which united the leading powers of Italy, the pope, Naples, Milan, Florence, and Venice, ostensibly in an alliance against the Turks, who had for a time held a toe-hold in Apulia. In reality, the Italian League was a Florence- Milan- Naples combination designed to check Venetian expansionism. In this it proved effective, giving the Renaissance almost half a century of time to develop under the longa pax of the Medici.
During these years, stymied in Italy, the Venetians concentrated on overseas expansion, including the conquest of Cyprus. But on the death of Cosimo's successor, Lorenzo the Magnificent, they began their systematic campaign to destroy the civilization of the high renaissance. Their basic premise was that, given their own inability to devastate the centers of Renaissance culture and economic development, they must concentrate on duping the overwhelming military forces of European states like France, Spain, and the other Hapsburg dominions into accomplishing this task for them.
The most competent contemporary observer of these matters was Niccolo Machiavelli, active somewhat later in the post-Medici Florentine diplomatic service, and a factional ally of Cesare Borgia, Duke of Valentino. Machiavelli noted that the two most dangerous forces in Italy around the turn of the century were the Venetians and the pope. His own hatred was directed especially against Venice, firstly because of the stated Venetian intention to subjugate Italy in a new Roman Empire. Secondly, Venice more than any other state relied on armies of mercenaries, and thus embodied precisely that practice which Machiavelli knew had to be extirpated, in favor of citizen-soldiers, if Italy was to be saved from humiliating subjugation to the likes of the Hapsburgs.
Machiavelli pointed out that the disintegration of Italy began when the Venetians succeeded in turning Lodovico il Moro, successor of Francesco as Duke of Milan, making him their agent of influence. Lodovico was responsible for the first major invasion of Italy in many years when he agreed to support the claims of Charles VIII of France to the Kingdom of Naples. This was the French king whom his father, the great Louis XI, considered a hopeless imbecile. In 1494 the French army crossed the Alps, accompanied by a Genoese advisor we will meet again later: Giuliano della Rovere.
This was enough to bring about the fall of the Medici regime in Florence, to the advantage of the Pazzi, Albizi, and related oligarchs of that city. These oligarchs immediately sought to crush the Florentine Renaissance using the regime of the demented Dominican monk Girolamo Savonarola, who set up a theocracy a la Khomeini. Savonarola proudly trumpeted that his rule was based on sound Venetian principles; his family was closely related to the Padua Aristotelian community. As for Charles VIII, he went on to establish a tenuous hold on Naples.
Several years later, in 1498, the Venetians repeated this maneuver, with the variation that this time it was they who blatantly invited the French to cross the Alps. This time the pretext was the French claim to the Milanese dukedom, and the dupe was a new French king, Louis XII. The French army knocked out Milan in 1500, a fatal blow to the Renaissance cultural ferment associated there with Leonardo da Vinci. Shortly thereafter, Louis XII decided to compensate the Hapsburgs with Naples. Naples accordingly became the first beachhead of what would shortly become a totally destructive Hapsburg hegemony in Italy.

VENICE AND GENOA COMBINE

For Venice, so far so good: Florence, Naples, and Milan had been ruined. But ironically, the same dumb Valois and Hapsburg giants which had taken out three dangerous rivals were now to turn like Frankenstein's monsters on the wily new Romans. Venetian manipulations were about to boomerang in the form of an alliance of all of Europe against Venice.
This was the famous crisis of the War of the League of Cambrai, which was assembled in 1508-1509. The opposing coalition was made up of the pope (by then the Genoese Giuliano della Rovere, as Julius II), the Holy Roman Emperor Maximilian I, France, Spain, Savoy, Mantua, and Ferrara. The announced purpose of this alliance was to expunge Venice from the face of the earth.
It nearly worked. At Agnadello, near the Adda River, the Venetian mercenary army was crushed by an army composed predominantly of Frenchmen. The Venetians were driven all the way down the Po Valley to Padua, and they soon lost that as well. Machiavelli exulted that on the day of Agnadello, the Venetians lost everything that they had conquered in more than 800 years. Machiavelli was himself engaged in operations against Venice, bringing a grant of Florentine cash to the aid of the Franco-Imperial forces holding Verona.
With nothing left but the lagoons, the Venetian position was desperate. The doge sent a message to the pope asking for mercy, and announcing that Venice would vacate territory taken in the past from the Papal States.
Inside Venice, Agnadello brought on an orgy of hysterical self-flagellation among the terrified patricians. The banker Girolamo Priuli wrote in his diary that Agnadello had been a punishment for the sins of the Venetian nobility, among which he numbered arrogance, violation of promises, lechery in nunneries, sodomy, effeminate dress, and luxurious and lascivious entertainments.

Antonio Contarini, newly appointed patriarch of Venice, gave a speech to the Senate in which he characterized the Serenissima as a thoroughly amoral city. The defeat was a punishment for the city's sins, he said. Nunneries were catering to the sexual needs of the rich and powerful. Homosexuality was so widespread that female prostitutes had complained to him that they had earned so little during their youth that they had to keep working far into their old age.

But more significantly, the shock of Agnadello set into motion a strategic review in the Venetian intelligence community which led to very far-reaching conclusions, some of which were not obvious before several decades had gone by.

The first Venetian ploy was to attempt to dismember the Cambrai coalition. They started with Pope Julius II. This pontiff was, as already noted, Genoese. Genoa and Venice had engaged in a series of highly destructive wars up till about the end of the fourteenth century, but after that, Genoa gravitated toward the status of junior partner and close associate of the Venetians. The Venetians had bested the Genoese by virtue of superior connections in the East, but otherwise their was a broad area of agreement.

The symbol of Genoa was St. George the dragon-slayer, in reality no saint at all but a thinly disguised version of Perseus saving Andromeda by slaying the sea monster, a legend that is centered on the coast of Lebanon. The "George" is said to come from the Gorgon Medusa, whose head Perseus was carrying.

Perseus is in turn nothing but a westernized variant of Marduk, the Syrian Apollo, a deity associated with the most evil forces of ancient Assyria and Babylon. The Venetians had their own Marduk cult, although subordinated to St. Mark, on the island of San Giorgio Maggiore, home of a Dominican monastery and today of the Cini Foundation, one of the highest level think tanks in the world. The modern British preference of Gorgons is too well known to need comment.

What probably accounted more directly for Julius II's decision to reverse his alliances was a deal mediated with the Venetians by Agostino Chigi, the Siena Black Guelph banker from whose financial empire the infamous Siena Group of today derives. He proposed that the Venetians stop buying alum, needed in textile and glass manufacture, from the Turks, but contract for a large shipment at higher prices from the alum mines at Tolfa in the Papal States - mines for which he, Chigi, was acting as agent. To sweeten the pot, Chigi offered the Venetians tens of thousands of ducats in much-needed loans.

The Venetians, fearing a rapid French offensive, accepted. Their own state finances were in total shambles. Only the Chigi loan allowed them to hire enough Swiss mercenaries to hold out against the French and the Imperial Landsknechte.

To provide a plausible cover for his move, Julius II suddenly discovered that the real issue was not Venice after all, but the need to expel the barbarians (primarily the French) from Italy. Julius stipulated an alliance with Venice. He then set up the slogan of Fuori Barbari! (Kick the Barbarians out!) which is still recorded by credulous writers of Italian school books as the beginning of the struggle to unify Italy. Even the Venetian mercenaries, mostly Swiss, began using the battle cry of "Italy and Freedom!"

Thus the post-Agnadello crisis was overcome. Some years later the Venetians tried the same tactic in reverse, this time with more lasting success. By 1525 the prevalent barbarians in Italy were the forces of Emperor Charles V, who had defeated the French at Pavia, capturing King Francis I. The French lost their hold on Naples and Milan. At this point Doge Andrea Gritti, whose portrait by Tiziano speaks volumes about his personality, decided to agitate once again the banner of Italian freedom. This took the form of the Holy League of Cognac "for the restoration of Italian liberty," uniting France, Venice, Milan, Florence, and the Papal States under Pope Clement VIII Medici. After having set up this alliance, designed to play the French against Charles V once again to destroy Medici-controlled Rome, the last intact Renaissance center, the Venetians retired into defensive positions to await the outcome.

Venetian capacities to manipulate Charles V were formidable indeed. The emperor's bankers and intelligencers were the Fuggers of Augsburg, a banking house and a city that must be regarded as Venetian satellites, within a context of very heavy Venetian control of the cities of the Danube valley. Virtually every young male member of the Fugger family, and of their colleagues the Welsers as well, was sent to Venice for a period of apprenticeship at the Fondaco dei Tedeschi. This was the case with Jacob Fugger the Rich. Venice was the pivot for Fugger metals trading, especially toward the East.

Thus, the Venetians stayed in their phony war posture against Charles V, while the imperial army of Lutheran Lanzi under Georg Frundsberg devastated Italy. The sack of Rome in 1527 was the direct outcome of this combined Venetian diplomacy and manipulation. To make Charles V's triumph complete, the Genoese Admiral Andrea Doria, commanding the French fleet, defected to the imperial side. A Doria coup in Genoa then established a permanent de facto alliance with Venice.

In 1530, Charles V was crowned as Holy Roman Emperor and King of Italy in a ceremony at Bologna. Garrisons of imperial troops were shortly stationed in every major city. Thanks to the tenacious policy of the Venetians, the main centers of the Renaissance had been subverted or destroyed. Venice was the only major Italian state which had retained real sovereignty. With the end of the Renaissance, Venice could feel free to start a delphic Renaissance among the throngs of intellectuals seeking asylum in the lagoons.

THE CREATION OF THE JESUITS

The "long autumn of the Italian Renaissance in Venice" during the rest of the sixteenth century was only one deployment among several. Another was the promotion of the Protestant Reformation. The more immediate controllers of Martin Luther have yet to be identified, but this is something of a secondary matter. Luther's agitation in Wittenberg was merely one more example of protests against the papacy and the Curia that had been chronic and endemic for decades. What gave Luther and the rest of the Protestant reformers real clout was a publicity and diffusion of their ideas that owed much to the Venetian publishing establishment. The Venetian presses quickly turned out 40,000 copies of the writings of Luther, Calvin, Melancthon, and the heresiarch Juan Valdes, especially popular in Italy.

Pope Leo X publicly denounced the University of Padua as the hotbed of inspiration of the German disease of Lutheranism. Clearly, Venetian interest was well-served by a schismatic movement that would embroil Germany, France, and the rest of Europe in a series of easily profiled conflicts. In addition, a conflict between reformers and counter- reformers, all owing allegiance to Aristotle, would severely undercut the influence of Erasmus and others like him.

Venetian influence on both Reformation and Counter- Reformation can be seen most clearly in the remarkable career of Gasparo Contarini, who did not let the fact that he was a Protestant in theology, well before Luther, prevent him from founding the Society of Jesus.

Contarini was the scion of one of Venice's most prestigious LONGHI families. The Contarinis had produced seven doges, and Gasparo had his sights set on being the eighth, before he was tapped to serve Venice as a member of the College of Cardinals. He served the Serene Republic as ambassador to the court of Charles V, and as ambassador to the Vatican, where he took a role in setting up the Medici Pope Clement VII for the 1527 sack of Rome. Toward the end of his life, Contarini was sent as papal legate to the Imperial Diet at Regenburg, where he represented the Roman point of view in debates with schismatics like Melancthon. There, he had a hand in destroying any compromise between the Lutherans and the Emperor Charles, which would have helped to end the bloodshed and dissension of the Reformation years.

What does this sublime Venetian patrician have to do with the founding of the Jesuit order by that itinerant and deranged mystic, Ignatius of Loyola? Ignatius was the creature of Venice, and of Contarini in particular.

In 1521, Ignatius was wounded while fighting the French in one of the wars of Charles V. During his convalescence, he underwent his much-touted mystical crisis, after which he took up the life of a hobo. Making his way around Europe seeking funding for a pilgrimage to the holy land, Ignatius found his way to Venice, where he camped out in St. Mark's Square and lived by begging.

One evening the Venetian oligarch Marcantonio Trevisan was sleeping in his golden palace, and had a vision. An angel came to him asking, "Why are you sleeping so soundly in your warm bed, while in the square there is a holy man, a poor pilgrim who needs your help?" Trevisan rushed downstairs to find Ignatius, who became his house guest, fleas and all.

After that, Ignatius was given an audience with the doge, Andrea Gritti, who offered him passage to Cyprus on a Venetian warship as first leg of his pilgrimage to Jerusalem. Ignatius continued his travels, but soon returned to Venice to develop relationships with other members of the oligarchy. These included Gasparo

Contarini's nephew Pietro, who became a recipient of Ignatius' patented brainwashing treatment, the Exercitationes Spirituales.
Then Ignatius made his way to Rome. Here he became the protégé of Gasparo Contarini, who had been appointed to the College of Cardinals by Pope Paul III Farnese. The cardinal took the Exercitationes Spirituales, and appointed Ignatius his personal confessor and spiritual advisor. By 1540, Contarini had personally interceded with the pope against Ignatius' enemies within the church hierarchy to ensure the founding of the Society of Jesus as a new Church order. In June 1539, Contarini personally traveled to the pope's summer residence at Tivoli, and prevailed on the pontiff to let him read aloud the statutes of the new order composed by Ignatius. The pope must have been favorably impressed by something. His approving comment Hic est digitus Dei, ("Here is the finger of God"), has become a feature of the turgid Jesuit homiletics.

BIRTH OF THE ENLIGHTENMENT

An ironic postscript to this story is that later the Venetian oligarchy decided that it simply would not do to be too closely identified with the benighted excesses of the Spanish and the papacy they so thoroughly dominated. In the years around 1570, accordingly, Venice became the site of the first example in Europe of what the French later termed "salons" for socializing and literary discussion: the Ridotto Morosini, sponsored by the ancient family of the same name. Here the seeds were sown that would later produce free-thinking, l'esprit libertin and the Philosophes – in a word, the Enlightenment. The Ridotto Morosini salon was in favor of tolerance and science, against everything doctrinaire and narrow. They sheltered Galileo against the Inquisition. Out of the Morosini salon came one of the rare public factions in Venetian political history, the so-called Giovani.
The Giovani, in contrast to their rivals, the Vecchi, were in favor of profound innovations in Venetian foreign policy. They wished above all to cement alliances with the countries to whom they felt the future belonged: France, England, and the Netherlands. The Vecchi, they said, were paralyzed by too much fear of Spanish power, and not ready enough to tangle with the people.
The Giovani were able to implement their program in 1606, when the Pope (now Paul V, Camillo Borghese) strenuously objected to the arrest by Venice of several ecclesiastics in its territory. The Borghese pope placed Venice under the interdict, and proceeded to excommunicate government officials. The main supporter of Venice internationally was James I, the Stuart ruler of England.
At the same time, the powerful Venetian propaganda apparatus swung into action, under the leadership of a Servite monk named Paolo Sarpi, whose lack of noble birth kept him from public office. Sarpi was the Venetian contact man for Sir Francis Bacon.
Sarpi had been in Rome, where he had been associated with Nicholas Bobadilla, one of St. Ignatius' original hard core. He had been a friend of Bellarmino, later the Jesuit-general, and his direct adversary during the Interdict affair. He was close to Galileo, who called him "my father." Sarpi had lent a hand in the construction of Galileo's telescope. Sarpi was lavish in his praise of Gilbert's treatise on magnetism. He was also the author of an Arte di Ben Pensare, which is curiously similar to the writings of John Locke. Sarpi admitted in private to being "a Protestant."
He engaged in a long pamphlet war with Bellarmino, and topped this off with a muck-raking History of the Council of Trent, which needless to say whitewashed the role of Venetian intelligence in the Counter- Reformation. The noise created around the whole affair was so great that some people forgot that it had after all been the Venetians, specifically Zuane Mocenigo, who had consigned Giordano Bruno – also of Ridotto Morosini – into the hands of the Inquisition just a few years before.

METASTASIS

The policies of the Giovani, propagandized by Sarpi and Doge Leonardo Dona' during the struggle around the Interdict, corresponded to a metastasis of Venice's power and influence through the world. The Venetians and their Genoese Doria-faction associates were busily shifting their family fortunes into more profitable locations, not tied to the fate of what was rapidly becoming a third-rate naval power.
The Venice-Genoa partnership is in evidence first of all in the banking side of the Spanish looting of the New World. Venice got control of the silver coming from the Americas, shifting to a silver standard from the previous gold standard in the middle of the sixteenth century. This silver was used to pay for the spices and other products from the East.
Venice was extremely liquid at this time, with about 14 million ducats in coins in reserve around 1600. At about the same time, incredibly, the Venetian regime had completed the process of paying off its entire public debt, leaving the state with no outstanding obligations of any type. This overall highly liquid situation is a sure sign that flights of capital are underway, in the direction of the countries singled out by the Giovani as future partners or victims: France, England, and the Netherlands.
The Genoese around the St. George's Bank received virtually the entire world's circulating gold stocks. The two cities teamed up starting around 1579 at the Piacenza Fair, a prototype of a clearing house for European banks, which soon had a turnover of 20 million ducats a year. This fair was a precursor of the post-Versailles Bank for International Settlements.
In 1603, Venice and Genoa assumed direction of the finances of Stuart England, and imparted their characteristic method to the British East India Company. It is also this tandem that was present at the creation of the great Amsterdam Bank, the financial hinge of the seventeenth century, and of the Dutch East India Company. Venice and Genoa were also the midwives for the great financial power growing up in Geneva, which specialized in controlling the French public debt and in fostering the delphic spirits of the Enlightenment.
The Venetians, in cooperation with the restored – that is, degenerated – Medici interests, began a major move into maritime and other types of insurance. These ventures live on today in the biggest business enterprise associated with Venice, the Assicurazioni Generali Venezia, one of the biggest if not the biggest insurance and real estate holdings in the world.
On May 12, 1797, the Gran Consiglio obeyed Napoleon's ultimatum and voted itself out of existence. Four thousand French infantrymen paraded on St. Mark's Square, where foreign troops had never before in history been seen. The golden Bucentoro was burned and the gold carted off. The Venetian "Republic" was finished, but it continued most emphatically to exist in less visible but highly effective forms.
One particular of the last years of Venice is of special interest to us: During the American Revolution about 3000 Venetian naval personnel, corresponding to about one-third of the total available strength, were serving with the British Royal Navy.
Commenting on the liquidation of Venice, the great Neapolitan Neoplatonic Giuseppe Cuoco wrote:
"I don't know what will happen to Italy, but the fulfillment of the Florentine secretary's prophecy in the destruction of the old, imbecilic Venetian oligarchy will be a great boon for Italy always."
The reference, of course, is to Machiavelli.
On the other side, William Wordsworth lamented the demise of "a maiden city," the "eldest child of liberty."

POST MORTEM

Unfortunately, all the obituaries were premature: Venice has continued to be very much alive. During the nineteenth century and up to our own time it has been the most important single incubator for fascist movements. With its military and financial power largely emigrated elsewhere, Venice's importance for political culture is now greater than ever.
Examples of this are inexhaustible. Richard Wagner wrote part of Tristan und Isolde while living in the Palazzo Giustinian on the Grand Canal. One story has it that the leitmotif of the Liebestod was inspired by the mournful call of a gondolier. At the end of his life Wagner moved to Palazzo Vendramin Callergi, where he died. This building, presently a gambling casino, was also the home of Count Coudenhove- Kalergi, the founder of the Pan-European Union. Friedrich Nietzsche loved Venice, returned there incessantly, and dedicated certain poems to the city which today can still be used in lieu of a powerful emetic. Venice was an inspiration for Lord Byron, for Thomas Mann, and so on.
Other examples abound of how the Venetian oligarchy's cultural and political influence has reached down into the modern era:
* When British East India Company retainer Thomas Malthus published his Essay on Population he was plagiarizing from the Venetian Giammaria Ortes, who produced, around 1750, a fully developed version of the argument that geometric population growth outstrips the much slower arithmetic progress of food production.
* John Ruskin, the leading ideologue of the British Dark Ages faction, began his career with a raving treatise on architecture, The

Stones of Venice (1851). This volume popularized the notion that a "Venetian Gothic" style had been developed in the better times of the city's history (which for Ruskin ended in 1418) and it was used systematically to discredit the Golden Renaissance.

* A turn-of-the-century new Roman Empire faction led by Venetian Count Volpi di Misurata, who was known as the doge of his era, sponsored the fascist Mussolini supporter Gabriele D'Annunzio to drum up enthusiasm for a new crusade into the Balkans and the East. Volpi became finance minister in Mussolini's cabinet, along with a very large number of other Venetians. D'Annunzio incited the Italians to take back Trieste, the rest of Italia Irredenta, and the Dardanelles, bringing on to center stage the so-called Parvus Plan for dismemberment of the Ottoman and Russian empires, which is generally recognized as the detonator of World War I. It is possible that the turn-of-the- century super spook Alexander Parvus was ultimately employed by Venice.

* The Societe Europeenne de Culture, a think tank created in 1950 through the efforts of Venetian intelligence operative Umberto Campagnolo, has for the past three decades pulled intellectuals from both East and West into organizing for an "international culture," based on rejecting the existence of sovereign nations. The SEC counted among its members the cream of the postwar intelligencia: Adam Schaff of Poland, Bertolt Brecht of East Germany, Georg Lukas of Hungary, and Boris Paternak of the Soviet Union, as well as Stephen Spender and Arnold Toynbee, Benedetto Croce and Norberto Bobbio, Julian Huxley and Thomas Mann, Francois Mauriac, and Jean Cocteau. Later, the SEC launched the Third World national liberation ideology.

Today, the Club of Rome is the institution that represents the most concentrated essence of Venetian influence and the Venetian method. The Club of Rome wants to convince the great powers and peoples of the world to commit collective suicide by accepting the genocidal doctrine of zero growth. It also hopes to abolish the sovereign nation as a vehicle for economic growth and scientific progress.

Club of Rome founder Aurelio Peccei has just written a new book titled One Hundred Pages For the Future, a global review of the impact of the Club of Rome, and particularly since its 1972 release of the zero-growth model Limits to Growth was published, a series of social movements has sprung up under the sponsorship of the ideas in the book. These – the women's movement, the peace movement, Third World national liberation movements, gay rights, civil liberties, ecologists, consumer and minority rights, etc. – must now be welded together into one movement for a single strategic goal: the implementation of a zero-growth international order.

The Venetian problem remains with us today. Truly, the most urgent task of this generation of mankind is to definitively liquidate the horror that is Venice.

The Role of the Venetian Oligarchy in Reformation, Counter-reformation, Enlightenment, and the Thirty Years' War

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During the last dozen years, our philosophical association has advanced the thesis that many of the disasters of modern history have been rooted in the heritage of the former Venetian Republic. This includes the central role of the Venetians in cutting short the Golden Renaissance of Italy, in precipitating the Protestant reformation and the wars of religion, and in creating the pseudo-scientific, irrationalist currents of thought that are called the Enlightenment. I would like to return to some of these themes today in order to explore them in greater detail.

Our interest in exposing the Venetian war against the Italian renaissance of the Quattrocento is coherent with our commitment to the Renaissance as an ideal, and with our efforts to launch a new Renaissance today. As has just been stressed, the benchmark for civilization, culture, religion and morality in the last half millennium is constituted by the work of Cardinal Nicolaus of Cusa, the founder of modern science, and of his associate Aeneas Silvius Piccolomini, Pope Pius II. Through their cooperation with the best representatives of Medici Florence in the time of the Council of Florence of 1439, Nicolaus and Aeneas Silvius saved western civilization from the Dark Age that had begun with the defeat of Frederick II of Hohenstaufen at the hands of the Black Guelph oligarchs. During that Dark Age, the Roman Catholic Church had been substantially destroyed by the Avignon captivity and the Great Schism, both against the backdrop of such events as the Hundred Years' War, the Wars of the Roses, and the advance of the Ottoman Empire. Without Nicolaus and Aeneas Silvius, there would have been no Europe and no church by 1500; Venice opposed both through the Morosini agent Gregory von Heimburg [Gilbert, 191]. Paolo Morosini dedicated to Heimburg one of the landmark propaganda pieces on the Venetian oligarchical system to be published during the fifteenth century, "Concerning the affairs and structure of the Venetian Republic, dedicated to Gregory of Heimburg, the most eminent doctor of the Germans." Gregory was the thug and agent provocateur who attempted to sabotage the work of Pius II, Cusanus, and Bessarion, and who is thus a prominent and typical representative of the anti-papal, anti-imperial current among the electors and other princes (Fuersten) of the Holy Roman Empire. This was the stratum of oligarchs played by the Venetians during the conciliar movement, mobilized by Venice against Pius II's proposed crusade, and which would form the basis of Luther's support during the "Reformation."

The essence of Venice is oligarchism, usury, slavery, and the cult of Aristotle. The traditional rate of interest was above 20% – a Volcker prime rate. The Venetians were the first in western Europe to read Aristotle directly in the Greek text – first at the School of the Rialto, where leading patricians lectured on Aristotle, and later, after about 1400, at the University of Padova, where the Venetian nobles studied. We must remember that Venice was a branch of the Byzantine Empire which became powerful enough to capture Constantinople in the Fourth Crusade, shortly after 1200. Venice, like Byzantium, saw religion as a tool of state power, with new cults to be concocted as the need arose.

THE ARISTOTELIAN NETWORK

During the Quattrocento, Venice developed in Italy and in Europe an extensive Aristotelian network. Bernardo Bembo, the Venetian ambassador to Florence and the Florence handler for the Venetian Signoria was part of this ("The Venetians are called the new Romans," he wrote.), as was his son Pietro Bembo. The Barbaro family was represented by Francesco, Ermolao the elder and Ermolao the younger. Giorgione's painting "The Three Philosophers" can be seen as depicting three Aristotles: the scholastic Aristotle of the Paris Sorbonne, the Averroistic Aristotle derived from the Arabs, and the "modern" Aristotle of Padova-Rialto, perhaps depicted here with the features of the younger Ermolao Barbaro. Another family prominent in the effort were the Dona', who will pop up again and again in this account. This painting hints at an important feature of Venetian method, namely the strategy of dominating culture, religion, and politics through the expedient of concocting a series of Aristotelian cults or schools which then contend among each other. In the 1400's the Aristotelian school-men of the Sorbonne were a formidable force in theology. But the Venetian oligarchs Giustinian and Quirini, in their pioneering 1513 reform proposals addressed to Pope Leo X attacked the decadent scholasticism of the Sorbonne, saying that the education of clergy must no longer be based on the "fallacious erudition of the Parisians" and similar "pagan fables." [Jedin, "Contributo," p. 112] (Instead, Giustinian-Querini recommended Holy Scripture and Church fathers, especially St. Augustine. They appear to have been thinking of the fundamentalism of isolated Biblical quotations as it has in fact flourished among the Protestant sects.) [See also Schnitzer, p. 236]

It should then come as no surprise to find Martin Luther, a few years later, packaging his own reform movement in a very similar "anti-Aristotelian" garb, despite the Manichean dualism in Luther which led right back to Aristotle's method. Similarly, the pseudo-scientific method cooked up by Francis Bacon using the epistemological writings of Paolo Sarpi portrayed itself as tearing down the authority of Aristotle in favor of scientific experiment. But this does not change the fact that Bacon's method was Aristotelian through and through. Bacon touted induction as the great alternative to syllogisms, but there is no qualitative difference.

Another prong of the Venetian war against the Renaissance was Venice's expansion inside Italy, on the terraferma, with the aim of conquering the entire Italian peninsula and then of using Italy to

dominate the world. When it proved impossible to conquer Milan, Florence, the Papal states and Naples, Venetian diplomacy invited France and Spain, the emerging great powers, to invade Italy; the Venetians thought they could pick up the pieces. Between the French conquest of Milan in 1494 and the sack of Rome in 1527, Italy was indeed devastated by these rival armies. But the entry of the new great powers into Italy also prepared the greatest shock in Venetian history: the War of the League of Cambrai. Fighting began in 1509.

The League of Cambrai was the first broad coalition of European states against a nominally Christian nation. It included just about all of Europe: the France of Louis XII, the Holy Roman Empire of Maximilan I, Spain, Pope Julius II, the King of Hungary, the Duke of Savoy, the King of Cyprus, the Dukes of Ferrara, Milan, Florence, Mantova. Some accounts include England. There was a plan to carve up Venice. A painting by Palma Giovane in the Doge's palace depicts Doge Loredan and the lion of St. Mark fighting Europa, who rides a bull and carries a shield embossed with the arms of the member states of the league. Venice sought help from the Ottoman Empire, but was left with no allies. In the decisive battle of Agnadello, French troops crushed the Venetian mercenaries. Venice, as Machiavelli exulted, lost all the land it had stolen in the course of centuries. The Venetians were driven back to their lagoon; their destruction was imminent. Pope Julius II was induced to drop out of the League of Cambrai, but between 1509 and 1513 the French forces, with Florentine money, kept the Venetians on the brink of doom. The state was close to bankruptcy, and had to borrow from the Chigi of Siena. It was also at this time that the Jewish community of Venice came into existence. Previously Jews had been restricted to the role of moneylenders on the terraferma. Jews were obliged to live in the quarter called the ghetto, whose residents were subjected to special discriminatory laws and were obliged to wear a yellow star of David. As the Cambrai crisis deepened, demagogic preachers attempted to blame the disasters of Venetian policy on the new Jewish community. [Gilbert, 18, 39]

In the midst of the hysteria in the lagoon, a religious revival broke out, spurred on by Antonio Contarini, the Patriarch of Aquilea. Religious processions and demonstrations multiplied, for the deified state and the immortal fondi were in gravest danger. Contarini, whose family will be at the center of our story, harangued the Senate on Venetian immorality: "Nunneries served the sexual needs of the rich and powerful. Homosexuality was so widespread that female prostitutes had come to him complaining that they earned so little they had to exercise their profession into old age." [Gilbert, p. 38] Indeed: 10% of the population were female prostitutes at any given time; even more important was the prevalence of sodomy, a sure marker for the presence of the Bogomil-bugger tradition in epistemology.

A badly mauled, indebted and humiliated Venice survived the War of the League of Cambrai, but the Doge told the 2,500 patricians that the new Spanish power had reduced the republic from a great power to "2,500 flies." [H. Brown, p. 150] At the deepest level, some patricians realized that the lagoon city could now be crushed like an egg-shell, and was not a suitable base for world domination. As after 1200 there had been talk of moving the capital, perhaps to Constantinople, so now plans began to hatch that would facilitate a metastasis of the Venetian cancer towards the Atlantic world. To make matters worse, the Portuguese access to India had undercut the Venetian spice monopoly through the Levant; there was talk of building a Suez canal, but this was abandoned. Venice had always thrived through divide and conquer. If Europe could unite against Venice, what could Venice do to divide and rend Europe so thoroughly that it would tear itself to pieces for more than a century?

A LOOK AT CONTARINI

To see how this was done, let us look at Gasparo Contarini, whose studies under the Aristotelian Pomponazzi were interrupted when Emperor Maximilian seized Padova. Contarini had helped entertain Agostino Chigi when he was negotiating that vital loan. Back at Venice, Contarini gravitated to a group of young patricians who gathered at the Camaldolese monastery of San Michele on the island of Murano to discuss the salvation of their souls. Remember what Pius II had said of the Venetians: "they wish to appear Christians before the world, but in reality they never think of God and, except for the state, which they do regard as a deity, they hold nothing sacred." [Pius II Commentaries, p. 743]

One participant was Vincenzo Quirini, who had just been in Germany, where he had been serving as the Venetian ambassador to the Empire. "All the princes of the empire, be they prelates or secular rulers, harbor a very ill will towards your most illustrious Lordship, which I have seen and touched with my hands…." [Alberi, series 1, vol. 6, p.43], he warned the Doge. Quirini had seen that war was imminent. Another was Paolo Giustinian, who had gone to the Levant in 1507 (looking for Turkish help?). During the grim winter of 1510-1511, in the midst of the mortal emergency of Cambrai, Giustinian and Quirini turned away from their patrician state careers and entered the austere Camaldolese order, first on Murano and later near Arezzo. Giustinian and Quirini became the advance guard of the Catholic reformation, shaking up the Camaldolese order and later sending the first Catholic reform manifesto, "Pamphlet to Leo X" to the Lateran Council. (This proposes the death penalty for Jews who do not convert and a war with the Turks in alliance with the young leader of Persia, identified as "Sophi." This is all in addition to the attacks on the schoolmen mentioned above. [Schnitzer, p. 227 ff.]

Gasparo Contarini corresponded with Quirini and Giustinian for more than a decade. Parts of this correspondence have survived, and illuminate the actual origins of the Protestant Reformation. To put them in perspective, let us jump from Gasparo Contarini in Venice in 1511 to Martin Luther in the tower of his Wittenberg monastery in the years 1513-1514, the years of Luther's so-called "Thurmerlbenis" or experience in the tower, generally regarded as the starting point of the Protestant reformation.

FAITH AND WORKS

The "Thurmerlebenis" brought Luther to the definitive standpoint of his theology: that salvation is by faith alone, with the good works of charity playing no role whatsoever. Luther describes the experience thus:

"These words `just' and `justice of God' were a thunderbolt in my conscience. They soon struck terror in me who heard them. He is just, therefore He punishes. But once when in this tower I was meditating on those words, `the just lives by faith,' `justice of God,' I soon had the thought whether we ought to live justified by faith, and God's justice ought to be the salvation of every believer, and soon my soul was revived. Therefore it is God's justice which justifies us and saves us. This knowledge the Holy Spirit gave me on the privy in the tower." [Grisar, "Luther," VI, p. 506.]

This was Luther's celebrated explication of Paul's Letter to the Romans I.17: "For therein is the righteousness of God revealed from faith to faith: as it is written, The just shall live by faith." This passage was ripped out of scriptural and traditional context and made the total passkey. For Luther, the devil is an independent power who rules over the material world, so good works belong to the devil; human reason is the "bride and whore" of the devil. In those days of greater theological knowledge, this could be clearly recognized as a new variation on Manicheanism, the idea that good and evil are equally necessary parts of the creation. According to such a Gnostic view, the material world is inherently bad, and only the spiritual world can be good. Something not so different was professed by the Bogomils. Luther's contemporary and sometime associate Philip Melanchton saw Luther in exactly these terms: "Manichean delirium." Luther attempted to portray his own viewpoint as a return to St. Augustine's stress on grace as against the ethical notions of the late Graeco-Roman world, but this was disingenuous. Luther's marginal jottings to Augustine's Confessions have come to light; an interesting one recaptures Luther's reaction to Augustine's polemics against the Manicheans and their idea of the two coequal cosmic forces locked in struggle. Luther's annotation: "This is false. This is the origin of all Augustine's errors." [see Socci and Ricci, and Theobald Beer.] Luther appears to reflect the influence of the pseudo-Hermes Trismegistus and his "Book of the 24 Philosophers."

CONTARINI AND LUTHER

But in the given historical context it is more than interesting that the top Venetian oligarch of the day – Gasparo Contarini – in 1511 went through a Thurmerlebnis of his own. In the Camaldolese monastery of Monte Corona above Frascati in the summer of 1943, the German scholar Hubert Jedin, acting on the advice of Giuseppe de Luca, discovered 30 letters from Gasparo Contarini to the Cambai Camaldolese, Giustinian and Quirini. One is from Eastertide 1511, when Contarini went first to the Benedictine monastery on the island of San Giorgio Maggiore, and then to San Sebastiano. Contarini would have us believe that he was contemplating

becoming a monk himself, but concluded that even a monastic life of asceticism and good works would never be enough to atone for his sins. This is similar to Luther's starting point. A holy father told Contarini that the way to salvation is "much broader than what many people think." Contarini writes:

"… I began to think to myself what that happiness [salvation] might be and what our condition is. And I truly understood that if I performed all the penances possible, and even many more, even if they were all taken together, they would not be enough to make up for my past sins, to say nothing of meriting that felicity. And having seen that infinite goodness, that love which always burns infinitely and loves us little worms so much that our intellect cannot fathom it, having only by its goodness made us out of nothing and exalted us to such a height … We must attempt only to unite ourselves with our head [Christ] with faith, with hope, and with that small love of which we are capable. As regards satisfaction for sins committed, and into which human weakness falls, His passion is sufficient and more than sufficient. Through this thought I was changed from great fear and suffering to happiness. I began with my whole spirit to turn to this greatest good which I saw, for love of me, on the cross, with his arms open, and his breast opened up right to his heart. This I, the wretch who had not had enough courage for the atonement of my iniquities to leave the world and do penance, turned to him; and since I asked him to let me share in the satisfaction which he, without any sins of his own, had made for us, he was quick to accept me and to cause his Father completely to cancel the debt I had contracted, which I myself was incapable of satisfying." [Jedin, "Ein `Thurmerlbenis' des jungen Contarini," p. 117 and Dermot Fenlon, "Heresy and Obedience in Tridentine Ital." p.8.]

The parallels to Luther are evident, even though Contarini still allows hope and a little love a role in salvation, in addition to faith. Later, in a letter of 1523, after Contarini had seen Luther, he would go beyond this and wholly embrace the Lutheran position:

"Wherefore I have truly come to this firm conclusion which, although first I read it and heard it, now nonetheless through experience I penetrate very well with my intellect: and that is that no one can justify himself with his works or purge his soul of its inclinations, but that it is necessary to have recourse to divine grace which is obtained through faith in Jesus Christ, as Saint Paul says, and say with him: `Blessed is the man without works, to whom the Lord did not impute sin….' Now I see both in myself and in others that when a man thinks he has acquired some virtue, just at the moment it is all the easier for him to fall. Whence I conclude that every living man is a thing of utter vanity, and that we must justify ourselves through the righteousness of another, and that means of Christ: and when we join ourselves to him, his righteousness is made ours, nor must we rely on ourselves to the smallest degree, but must say: `From ourselves we received the answer of death.'" [Jedin, p. 127]

Contarini was always much more careful in the writings he published; in his treatise De Praedestinatione he says that Christians should "seek to exalt as much as possible the grace of Christ and faith in him, and to humble as much as possible the confidence we feel in our works, our knowledge and our will."

These letters, first published in 1950, make Contarini the first Protestant, the undisputed caposcuola among those in Italy who argued for salvation ex sola fede, and who were called evangelicals, crypto-Protestants, or "spirituali," to whom we will return shortly.

Let us consider first whether there was any way that the tidings of Contarini's new stress on faith, developed during the Cambrai crisis, might have been transmitted to Germany. There was, in the form of a Venetian Aristotelian network which reached into the court of Frederick the Wise, the Elector of Saxony, who protected Luther from Pope Leo X's extradition demands and from the ban the empire placed on Luther by Emperor Charles V.

MUTIANUS RUFUS AND SPALATIN

Our knowledge of this network begins with the figure of one Conradus Mutianus Rufus, who was in the early 1500s the Kanonikus of the Marienstift in Gotha, a Latin and Greek scholar and cleric who had traveled to Italy during the period 1499-1503, and who had studied in Bologna and visited other cities, including Venice. Mutianus Rufus had been in contact with members of the Signoria: "I saw Venetian patricians wearing a silken belt which hung down on one side and went around one arm," [Briefwechsel des Conradus Mutianus, p. 249] he wrote to a correspondent in 1509. Mutianus came to know Aldus Manutius, the celebrated Venetian publisher of Latin, Greek, and other learned texts (and the target of Erasmus's satire in the hilarious Opulentia Sordida). With Aldus we are at the heart of the Venetian intelligence networks among the self-styled humanists around 1500. In February 1506, with the Cambrai war clouds on the horizon, Aldus had written to Mutianus's disciple Urbanus: "I most highly esteem S. Mutianus Rufus because of his learning and humanity and confess myself to be very much in his debt, on the one hand because he constantly speaks well of me, and on the other because he kindly procured for me the friendship of a man decked out with learning and holy ways like you. And therefore if I did not only esteem you and Mutianus and Spalatinus completely as men both learned and well-disposed towards me, but also love you so very much in return, I would be the most ungrateful man of all. But I love you and honor and render you immortal thanks because you have summoned me to this mutual good will." [See Briefwechsel, p. 37.]

The other disciple of Mutianus Rufus named here, Spalatinus, is the one we focus on. Georg Burckhardt was born in the town of Spalt, near Nuremberg, in 1484. His birthplace is an omen, for Burckhardt, or Spalatinus in his humanist name, was destined to play a decisive role, second perhaps only to Luther himself, in the greatest church split [Kirchenspaltung] of recent history. Spalatin, a student at Erfurt, became a protégé of Mutianus Rufus in 1504, visiting him in his Gotha office where "Farewell to Cares" was inscribed on the door. Another of Mutianus's network was Johann Lang of Erfurt, who would shortly reside in an Augustinian monastery alongside a certain Martin Luther, who had studied in Erfurt after 1501 at the same time as Spalatin. [Irmgard Hoess, George Spalatin (Weimar, 1956)]

In 1505, Mutianus Rufus found Spalatin a job at the monastery in Georgenthal, where he was responsible for purchasing books for the library. The orders were made with Aldus Manutius in Venice, with payment by way of the Fugger copper mines in Hohenkirchen. In December 1505, Spalatin wrote to Mutianus to make sure that he included in the order the Castigationes Plinianae, written by Ermolao Barbaro the Younger. Later Spalatin became a personal secretary to the Elector of Saxony, Frederick the Wise, gradually acquiring responsibility for Frederick's prized collection of relics of the saints, and also for the newly founded University of Wittenberg and for its library. Gradually Spalatin became something like a junior minister, responsible for educational and religious affairs.

In 1512, during the Cambrai war, Mutianus and Spalatin received a report that Aldus was on his way to Germany with a cargo of precious Greek and Latin manuscripts; Spalatin wrote to Aldus on March 25, 1512, proposing that Aldus meet with Frederick the Wise for a major book purchase. Was Aldus planning a mission in order to secure strategic help for the Most Serene Republic in Venice's hour of need? Aldus apparently did not make the trip, but in December 1512, Frederick the Wise wrote to Aldus, and Spalatin prepared the Latin text. In 1515, Spalatin placed a new book order for Greek and Latin texts with the Aldus firm.

It is not known exactly when Spalatin met Luther for the first time, but Luther's first extant letter to Spalatin is placed in about February 1514, in the middle of the Thurmerlebnis [tower experience] period. Spalatin had asked Luther's opinion on the controversy over the Hebrew and Talmudic studies of Johannes Reuchlin, whom Frederick was supporting. This began a correspondence, of which 400 of Luther's letters to Spalatin, but only a few of Spalatin's to Luther, have survived. Spalatin appears as Luther's interlocutor in theology ("he influenced Luther very strongly in the direction of clarity," says Hoess), but his adviser and indeed his controller in matters of political tactics and strategy. The letters peak in 1521, but continue thereafter; "there is no one in our group whom I would prefer to you," wrote Luther to Spalatin on December 12, 1524.

In 1515-16 Luther gave his lecture on salvation through faith alone, although the first written expression of this seems to have been in a letter to Spalatin of October 19, 1516, where he wrote: "First man must change himself; only then can his works be changed" - a leading idea expressed by Giustinian-Quirini.

In September 1516 Spalatin joined the Kanzelei of Frederick. Here Spalatin acted as Luther's intercessor, especially after he became the confessor to the vacillating and indecisive Frederick in 1517-18. After Luther, on Halloween 1517, had posted his theses on the door of the Wittenberg cathedral, it was Spalatin who convinced Frederick to keep the matter in Saxony, and not permit the case to go to Rome. When Luther went to Heidelberg for a theological debate, Spalatin made sure he had an escort provided by Frederick. In July 1518, Luther was summoned to Rome by the Holy See, and he appealed urgently for help: "I now need your help

most urgently, my Spalatin, and so does the honor of our whole university!" At the next imperial diet, Cardinal Cajetan asked for money to fight the Turks, only to be answered by a rehearsal of the complaints of the German nation against the Holy See. Here Frederick was able to convince Maximilian to allow Luther's case to stay in Germany. The anti-papal and anti-imperial princely oligarchical party coalesced in support of Luther. This made what Leo X had dismissed as "a quarrel among monks" into the Reformation.

Later we find Spalatin unsuccessfully telling the hot-headed Luther to keep a low profile. At one point Luther was requesting that official documents of Saxony be falsely dated to protect him. (Hoess, p. 131) When Luther was called to Augsburg, Spalatin secured an escort, by indirect means.

So sure was Luther of Frederick's support (and Spalatin's influence) that he could write to Cardinal Cajetan on October 18, 1518: "For I know that I can make myself more agreeable to our most illustrious prince by appealing rather than by recanting." (Hoess, p. 136) Later the same autumn, Spalatin, fearing Luther was in danger, warned him to flee, and Luther organized a farewell dinner in his cloister, but a message from Spalatin then arrived telling him that the danger was past, and he could remain. (This puts Luther's "Here I stay, I cannot do otherwise" in a new light.) After Luther had publicly burned Leo X's bull of excommunication in December 1520, Frederick protected him from extradition. Spalatin appealed for and got from Erasmus a statement in support of Luther against Rome. In his response, Erasmus warned that those handling Luther's case on behalf of the Roman curia were in effect acting as provocateurs, seeking to exploit the Luther issue in order to suppress humanistic learning. For Erasmus, humanistic learning was Platonic. There is every indication that Cajetan, Eck, Aleandro, and others acting in the name of Leo X were indeed doing what Erasmus suggested.

Spalatin accompanied Luther to the Diet of Worms in 1521 as his principal handler, spin doctor, and adviser. Here Contarini was also present, though all sources consulted are suspiciously emphatic that Contarini, present as the Venetian ambassador to Charles V, never met personally with Luther, although the two were at the plenary sessions. After Charles V had set the ban of the empire on Luther, Spalatin organized the coup de main which brought Luther into the safety of Frederick's Wartburg Castle. Here Luther's fame and following grew rapidly while he enjoyed immunity; the empire shortly went to war with France in one of the sequelae of Cambrai. Later, Spalatin would go on to become Saxony's chancellor or prime minister.

Were there other channels of Venetian communication between the lagoon and Saxony during this period? There was at least one other, which involved Frederick's hobby of collecting the relics of the saints, a practice Luther condemned as idolatrous. "Since 1515, a German friar, Burckhard Schenk von Simau, had been a reader in theology at the Franciscan convent of San Nicolo' in Venice. Perhaps because of his kinship with the Ernestine branch of the Saxon ruling line, he had a standing commission from Frederick the Wise to purchase books and relics for the Elector's outstanding collections. One of Schenk's most useful Italian contacts proved to be [Pier Paolo] Vergerio's brother Giacomo, a fellow Franciscan, who told him that the eastern coast of the Adriatic was a rich hunting ground for relics and suggested that younger members of his family might be available to make deliveries to Saxony. Accordingly, in July 1521, Aurelio Vergerio set off on a trip to the domain of Frederick the Wise, only to turn back at Innsbruck on account of illness. Schenk then turned his attention to another member of the Vergerio clan. Writing on October 19, 1521 to Georg Spalatin, the Elector's counselor, he stated that he had met Pier Paolo [Vergerio], a gifted youth who ranked high among the students of law at Padova [Padua] and was well trained in the humanities. The young Capodistrian, Schenk asserted, was interested in completing his legal studies at Wittenberg. Assuring Spalatin that Vergerio would be a credit to the university, the friar urged that he be strongly recommended to the Elector. Apparently the response from Spalatin was encouraging, for Pier Paolo made preparations to leave for Saxony; he was deterred from starting his journey, however, by reports of an outbreak of plague along the route. By the following summer the invitation had been withdrawn. "On July 28, 1522, Spalatin informed Schenk that in the light of the recent religious developments in Wittenberg, Frederick the Wise considered it prudent to cease collecting relics. Spalatin added that he could promise nothing further to the Vergerios." (Schutte, pp. 30-31.) According to another account, Spalatin wrote to an unnamed "Venetian merchant" at this time: "I am returning herewith the relics as well as the crucifix, in hopes you will sell them as advantageously as possible, for in Venice they probably cost more and are valued more highly than here. Here the common man is so well instructed that he thinks (and rightly so) that only faith and confidence toward God, and brotherly love, are enough." [H.G. Haile, p. 8]

THE SPIRITUALI

Pier Paolo Vergerio of Capodistria attended the University of Padova and married Diana Contarini of the Contarini family in 1526. [Nuntiaturberichte aus Deutschland, I, p. 14] He later became a papal diplomat and met with Luther in Wittenberg in 1535, during the period of the Smalkaldic League, the Protestant alliance which warred against Charles V in 1546-47. Later, Vergerio was to become an active publicist in the Protestant cause. Vergerio belongs to the group of Spirituali around Contarini.

When Contarini returned in 1525 from his mission with Charles V in Germany, the Low Countries, and Spain, he told the Senate: "The character and customs of the Germans are close to feral; they are robust and courageous in war; they have little regard for death; they are suspicious but not fraudulent or malicious; they are not sublimely intelligent, but they apply themselves with so much determination and perseverance that they succeed as well in various manual crafts as they do in letters, in which many are now devoting themselves and make great profit…. The forces of Germany, if they were unified, would be very great, but because of the divisions which exist among them, they are only small…." [Alberi, p. 21] Venetian publishing and Venetian networks would now be mobilized to guarantee the spread of Lutheranism and its variants all over Germany in order to perpetuate and exacerbate these divisions.

In 1516, a year before Luther's Wittenberg theses, Contarini wrote De Officio Episcopi, a treatise of church reform for his friend Lippomanno, who was about to become a bishop. Contarini then, as we have seen, served as Venetian ambassador to Charles V and the Pope. During the early 1530s, Contarini began meeting with a group of patricians who represented the heart of the Italian evangelical or crypto-Protestant movement, and who would launch the Reformation inside the Roman Catholic Church during the pontificate of Paul III Farnese. The meetings were often held in the gardens of Cortese's San Giorgio Maggiore. These were the Spirituali, interested in the writings of Juan Valdez of Spain, who had come to Naples to teach that justification was given to us as God's gratuitous gift. Our responsibility, said Valdez, was to take this Beneficio di Cristo given to us through the Holy Spirit and manifested in good works, which were however without merit. Awareness of all this came to Valdez, like Contarini, through "esperienza." Valdez's followers were mainly oligarchs, and his works were published in Venice.

Along with Contarini there were now: Gregorio Cortese, the abbot of the Benedictines of San Giorgio Maggiore; the English émigré Reginald Pole, a member of the former English ruling house of Plantagenet now living at Pietro Bembo's villa (Bembo had changed his lifestyle enough to become Bishop of Bergamo and would become a cardinal); and G.P. Caraffa of Naples, linked to the Oratory of Divine Love in Rome, co-founder of the new Theatine Order and later Pope Paul IV.

Arrayed later around these were the Bishop of Carpentras Jacopo Sadoleto, G.M. Giberti, the spirituale bishop of Verona on Venetian territory, and Cardinal Morone, who presided at the last sessions of the Council of Trent. There was the papal legate Vergerio. Later, through the circle set up by Reginald Pole at Viterbo, Vittoria Colonna and Giulia Gonzaga would come into the picture, joined by Marcantonio Flamminio, Ochino, Vermigli, and others. Vergerio, Ochino, and Vermigli later became apostates, going over to Protestantism. Many ideas common to this group were expressed in a tract called the Beneficio di Cristo, and were popular among Benedictines. The Beneficio had been written by a Benedictine (Benedetto Fontanino) using Calvin's "Institutes of the Christian Religion" of 1539. This Benedetto had been at Cortese's San Giorgio Maggiore around 1534. [Fenlon, chapter 5] With the help of Marcantonio Flamminio, the Beneficio was published in Venice in 1543, and sold 40,000 copies in that city alone.

The Spirituali later tended to separate into two wings: The first were liberal, tolerant, conciliatory, open to dialogue with Protestants, and included especially Pole, Morone, and Vittoria Colonna. Then there were the zelanti, like Caraffa, who tended towards militant and inquisitorial methods, and who came into conflict with Spirituali like

Pole and Morone, accusing them of heresy. Contarini had died before this division became pronounced.
Reginald Pole had been sent to Padova by Henry VIII because his claim on the English throne was as good as or better than Henry's: Pole was a Plantagenet. When he joined the general post-Cambrai shift out of Aristotelian letters and into piety, he was influenced by a certain Padre Marco of the Paduan Benedictines of Santa Giustina. Pole was close to the Venetian banker Alvise Priuli. Around 1540, Pole was the governor of Viterbo in the Papal states, where he developed a close relation with Vittoria Colonna of the Roman black nobility. She had been in the Juan Valdez circle and the Oratory of Divine Love. In 1541, her kinsman, Ascanio Colonna, waged civil war against Pope Paul III Farnese but was defeated. Vittoria Colonna was known as a poetess whose "Rime Spirituali" expressed some of the favorite themes of the pro-Venetian Spirituali. Pole on one occasion advised Vittoria Colonna that she should believe as if salvation depended on faith alone, while acting as if it were dependent on good works as well. Contarini dedicated his treatise on the freedom of the will to Vittoria Colonna. As for Pole, he is important because of his later role in England.

THE ENGLISH SCHISM

In 1527, the year of the Sack of Rome, King Henry VIII began to mature his plan to divorce his wife Catherine of Aragon, who had given him a daughter but no son, and to marry the court lady Anne Boleyn. When Pope Clement VII Medici, under occupation by Charles V, refused to grant an annulment, Henry VIII appealed to scholars and universities for their opinions. One such opinion came from the Franciscan Friar Francesco Giorgi, a member of the Venetian Zorzi patrician clan. Giorgi was the author of De Harmonia Mundi (Venice 1525), a mystical work with influences deriving from the Hebrew Cabala. Giorgi assured Henry VIII that the Biblical text applicable to his situation was Leviticus 18:16, in which marriage between a man and his brother's wife was forbidden. Catherine had been previously married to Henry's brother Arthur. Deuteronomy 25.5-6, in which such a marriage is proscribed, was irrelevant, Giorgi-Zorzi told Henry. Giorgi, accompanied by the Hebrew scholar Marco Raphael, journeyed to England, where they arrived in 1531; Giorgi remained at the English court until his death in 1540. Giorgi is reputed to have contributed mightily to the initiation of a school of Venetian pseudo-Platonic mysticism in England. This was later called Rosicrucianism, among other names, and influenced such figures as John Dee, Robert Fludd, Sir Philip Sydney, Edmund Spenser, and Sir Francis Bacon. Such were the Masonic beginnings of the Venetian Party, which, by the accession of James I, became the dominant force in British life. Bembo and Pole had their own contacts with Cabalists, but Contarini had the inside track: Giorgi lived in Contarini's immediate neighborhood, and Contarini grew up and went to school with Giorgi's nephews. Later, Contarini and Giorgi became close friends. (Dittrich, p. 456) Giorgi and Raphael were clearly acting for the Signoria and the Council of Ten.
Shortly before the arrival of Giorgi, Thomas Cromwell replaced Cardinal Wolsey as the chief adviser to Henry VIII. Cromwell had all the marks of the Venetian agent. Cromwell had reportedly been a mercenary soldier in Italy during the wars of the early 1500s, and, according to Pole, was at one time the clerk or bookkeeper to a Venetian merchant. One version has Cromwell working for 20 years for a Venetian branch office in Antwerp. This was the man who judicially murdered St. Thomas More, the eminent Erasmian. "Yet it was apparently at this very time, just after Cardinal Wolsey's fall, that [Cromwell] found means of access to the king's presence and suggested to him that policy of making himself head of the Church of England," which would enable him to have his own way in the matter of the divorce and give him other advantages as well. So at least we must suppose from the testimony of Cardinal Pole, writing nine or ten years later. Henry, he tells us, seeing that even Wolsey "could no longer advance the project [of his divorce], was heard to declare with a sigh that he could prosecute it no longer; and those about him rejoiced for a while in the belief that he would abandon a policy so fraught with danger. But he had scarcely remained two days in this state of mind when a messenger of Satan (whom [Pole] afterwards names as Cromwell) addressed him and blamed the timidity of his councilors in not devising means to gratify his wishes. They were considering the interests of his subjects more than his, and seemed to think princes bound by the same principles as private persons were. But a king was above the laws, as he had the power to change them, and in this case he had the law of God actually in his favor…." Pole wrote this in a dedicatory epistle to Charles V. [Pole, Epistolae, 113-140] Pole says that Cromwell offered him a copy of Machiavelli's The Prince, which he highly recommended. "I found this type of book to be written by an enemy of the human race," Pole wrote later. "It explains every means whereby religion, justice, and any inclination toward virtue could be destroyed." [Dwyer, p. xxiii] But The Prince was published years later.
Henry VIII later called on Pole for his opinion on "the king's great matter." Pole responded with a violently provocative tirade designed to goad the paranoid Henry into a homicidal fit. "I have long been aware that you are afflicted with a serious and most dangerous disease," Pole wrote. "I know that your deeds are the source of all this evil." "The succession of the kingdom is called into doubt for love of a harlot…. Anyone resisting your lies is punished by death. Your miserable apes of sophists talk nonsense…. Your pestilential flatterers…. By the stench of his mind a flatterer happens upon such tricks." [Dwyer, p. xviii]
Pole also revealed to Henry that he had urged Charles V to cease hostilities with the Ottoman Empire, and direct his military might to wiping out Henry's regime. [Dwyer, pp. 271-78] Since Pole could easily have assumed the role of Plantagenet pretender, Henry had to take this very seriously, which added to his mental imbalance. Henry took revenge by executing Pole's mother and brother, who had both stayed behind in England and whose fate Pole had curiously neglected when he sent his challenge to Henry.
The creation and preservation of a Protestant regime in England was one of the principal goals of Venetian policy. Wars between England and France, and between England and Spain, were the essence of Venetian policy. After the death of Henry VIII and the death of his son Edward VI, Pole returned to England as the chief adviser and virtual controller of the Catholic Queen Mary Tudor, known as Bloody Mary. Earlier Pole had been considered a candidate to marry Mary, but now he was a cardinal and papal legate. Mary was wed to Philip II of Spain, creating the possibility of an Anglo-Spanish rapprochement that was highly unacceptable to Venice. Mary's succession was helped by Sir William Cecil, the first Baron Burghley, a Venetian agent who had been a key figure of the last period of Edward VI's reign. Pole, even though he was one of the Spirituali, could be highly inquisitorial when the interests of Venice required slaughter to create religious enmities that would last for centuries: Between 1553 and 1558, Pole and Mary presided over what many British historians claim to be the largest number of politically motivated executions in the history of England. Their claim is dubious, but some 300 persons were burned for heresy, and one Anglican prelate described Pole as "butcher and scourge of the Anglican church." Pole, acting under instructions from Pope Paul IV, also insisted on full restitution of the church lands and property seized by Henry VIII, which would have wiped out a large section of the English nobility. These measures made Mary so unpopular that it was clear that she would not have a Catholic successor. That successor would be Elizabeth, under the dominant influence of Cecil, who had early gone over to the opposition to Bloody Mary Tudor. In his 1551 report to the Venetian Senate, Daniele Barbaro remarked on the religious habits of the English, "among whom nothing is more inconstant than their decrees on matters of religion, since one day they do one thing and the next day they do another. This feeds the resistance of those who have accepted the new laws, but who find them most offensive, as was seen in the rebellions of 1549. And in truth, if they had a leader, even though they have been most severely punished, there is no doubt that they would rebel again. It is true that the people of London are more disposed than the others to observe what they are commanded, since they are closer to the court." [Alberi, series I, volume 2, pp. 242-43]

THE COUNTER-REFORMATION

What is called the Catholic Reformation or Counter- Reformation is said to begin with the pontificate of Paul III Farnese. Paul III had studied with the humanist Pomponius Laetus. He had been made cardinal by Alexander VI Borgia, usually seen by church historians as the most reprobate of the Renaissance popes. Because Giulia Farnese had been Alexander VI's mistress at this time, Cardinal Farnese was known as the petticoat cardinal. Paul III had several children of his own, two of whom he made cardinals and governors of provinces controlled by the church. It was Paul III who elevated Contarini, Pole, Sadoleto, and Caraffa and the rest of the Venetian group to the cardinalate. Later, Pietro Bembo, Morone, and other Venetians and Venetian assets followed.
In 1537, Paul III directed Contarini to chair a commission that

would develop ways to reform the church. Contarini was joined by Caraffa, Sadoleto, Pole, Giberti, Cortese of San Giorgio Maggiore, plus prelates from Salerno and Brindisi – an overwhelmingly Venetian commission. This was the Consilium de Emendenda Ecclesia. The Contarini commission at the outset sought to identify the cause of the evils and abuses of the church, including simony, multiple benefices, bishops who did not live in their sees, moral failures, sybaritic lifestyles among prelates, and the like. The commission said nothing of oligarchism or usury, but gave all the blame to the excessive power which the Roman pontiffs had arrogated to themselves. "From this results, even more because adulation always follows the supreme power just as a shadow follows a body, and the path of truth to the ears of the prince was always a very difficult one, that, as the doctors immediately proclaim, who teach that the pope is master of all benefices, on that account, since a master can by law sell what is his, it necessarily follows that the pope cannot be accused of simony, so that the will of the pope, whatever it might be, must be the rule which directs these operations and action. From which it results without doubt that whatever the pope wants is also sanctioned by law. And from this source, as if from a Trojan horse, have come into the church of God so much abuse and such serious sickness, that we now see the church afflicted almost by despair of recovery. The news of these things has reached the unbelievers (as Your Holiness is told by experts) who ridicule the Christian religion chiefly for this reason, to the point that because of us, because of us we say, the name of Christ is blasphemed among the peoples." [Concilium Tridentinum, XII, pp. 134-35]

The overall thrust of the document is best summed up in the following two passages:

"We think, Holy Father, that this has to be established before all other things: as Aristotle says in his 'Politics', just as in any republic, so in the ecclesiastical governance of the church of Christ, this rule has to be observed before all others: that the laws have to be complied with as much as possible. For we do not think we are permitted to exempt ourselves from these laws, except for an urgent and necessary reason." (p. 135, emphasis in original)

Thus, Aristotle was made the guiding light of the "reform," in the document that opened the campaign for the Council of Trent. The leading anti-Aristotelian Platonist of the day did not escape condemnation: "And since they habitually read the colloquia of Erasmus to children in the schools, in which colloquia there are many things which shape these uncultivated souls towards impiety, therefore the readings of these things and any others of the same type ought to be prohibited in literary classes." (p. 141)

Erasmus had broken with Luther very early, despite the maneuvers of Spalatin, and had attacked Luther's ideas of the bondage of the will with a reaffirmation of the Platonic concept of the freedom of the will. Contarini and Pole had both corresponded with Erasmus, and Paul III offered to make him a cardinal on one occasion. The accusation made here is almost identical to Luther's, who had told Erasmus, "You are not pious!"

The Vatican archives, then and now, contained the detailed reform proposals elaborated by Pius II and Nicolaus of Cusa during the previous century. An honest attempt at reform would have based itself explicitly on these proposals. The reform undertaken by the Contarini commission was going in a very different direction, and some of the works of Pius II were shortly placed on the Index of Prohibited Books.

The Vatican wanted the Contarini commission's report to be kept secret, but it was promptly leaked and published by such diverse sponsors as Vergerio, Luther, and the German Protestant Sturmius; the English version was issued by one Richard Morsyne in 1538.

In 1539, Contarini was instrumental in convincing Paul III to approve the creation of Ignazio de Loyola's Society of Jesus as a holy order. In 1541, Contarini was the papal representative along with Morone at the discussions among Catholics and Protestants in Regensburg, where he proposed a compromise solution on the key issue of justification; on the one hand recognizing a justitia imputata to satisfy the Lutherans, while retaining some role for the justitia inhaerens. The compromise was rejected by both Wittenberg and Rome, and to some it seemed that Contarini had been trying to create a third camp. Contarini died in 1542.

The first session of the Council of Trent was convoked under Paul III, with Pole and Caraffa as members of the committee of cardinals to oversee the proceedings. At the death of Paul III Farnese in 1549, Pole turned out to be the papal candidate of the Emperor Charles V and of the Spirituali. He was assisted by Priuli, the Venetian banker. The anti- Spanish Caraffa was the other homestretch contender, receiving support from the French cardinals led by Guise. At one point, Pole was almost made Pope by imperial acclamation. During one ballot, Pole came within a single vote of a two-thirds majority and thus of Peter's chair. Caraffa turned against Pole during the conclave and accused him of "certain errors" in religion; Caraffa claimed that Pole had maintained "a platoon of heretics and of highly suspect persons" in his home in Viterbo. Guise accused Pole of leaving the Council of Trent in order to avoid a debate on justification. Finally, Cardinal Del Monte was elected as Julius III, and reigned from 1550 to 1555. Pole was one of his seven commissioners for the protection of the faith. Then Marcellus II Cervini died after a month in office, and was succeeded with Venetian help by Caraffa, who took the name of Paul IV. Caraffa started a reign of terror against the surviving Spirituali, many of them his former associates. Morone was jailed in 1557, and Pole was instructed to return to Rome to face a trial for heresy on account of his activities in Viterbo. Pole was protected by Mary Tudor. As it turned out, Pole died a few hours after Mary.

THE INDEX

The pontificate of Paul IV marked a long pause in the Council of Trent, since Caraffa preferred to act as an autocrat. In 1557, Caraffa instituted the Index Librorum Prohibitorum. [Index, Venice: Aldus, 1564] It was no surprise that the writings of Luther, Zwingli, Calvin, Melanchthon, Juan Valdez, the Anabaptists, the Koran, and the 1531 Augsburg Confession were banned on pain of excommunication and possible jail or banishment. Also outlawed were the scabrous Facetia of Poggio Bracciolini and the writings of Pietro Aretino. But also on the list were all of Peter Abelard, Dante's De Monarchia, all of Machiavelli, most of the works of Erasmus (including the Colloquies, the Praise of Folly, and others), Lorenzo Valla, and even a text identified as Alcuin's commentary on the Trinity, which was alleged to be by Calvin. Most stunning is the presence of Aeneas Silvius Piccolomini himself, Pope Pius II, one of the defenders of the church and of civilization: The Index banned those writings which Aeneas Silvius had retracted, presumably in a papal bull of April 26, 1463; these sustained theses of the conciliar movement. Pius II had also retracted youthful writings on love themes; the effect on all of Pius II's works was chilling.

The anti-Platonic and pro-Aristotelian bias of the Index was a barometer of who now held power in Rome. By 1565, there were no fewer than seven Venetian cardinals, one of the largest if not the largest national caucus. In the early 1600s, the general of the Jesuits would be Bellarmine, who had been steeped in Aristotle from his youth. Francesco Toledo, a professor at the Collegio Romano, attributed to Aristotle's logic a perfection so total that "scarcely anyone has surpassed him in any point." "Moreover," added Toledo, "it appears that he has been more received by the church than other philosophers, especially in the last millennium; and he has been used in the instruction of youth to the exclusion of all others." [Bouwsma, p. 296] Interestingly, Contarini's friend Cardinal Morone was released after two years in jail and became the presiding officer of the final session of the Council of Trent.

CRISIS IN VENICE

During the second half of the 1500s, Venice was in rapid decline. The naval victory of Lepanto in 1571 had not been sufficient to regain Cyprus from the Ottoman Empire, and Venice had been widely attacked for making a separate peace with the Ottomans. After the Cyprus war, Venice entered into a permanent commercial crisis, in part because of English and Dutch rivalry. Textile production of silk and wool also declined. The same happened with printing in part because of the Index Librorum Prohibitorum. Shipbuilding in the arsenal diminished. In 1575-77, there was an outbreak of the plague, with tens of thousands of deaths in Venice. In 1590, there was a serious famine, and food supplies did not return to normal until 1594. Part of this impoverishment was due to the fact that Venice, in spite of its wretched economy, was pursuing a policy of totally retiring the public debt. This was made easier by going from a gold to a silver standard in 1562. The Cyprus war had cost 6 million ducats, but the government now paid off the Monte Vecchio, the Monto Novo, the Monte Novissimo, and the Monte di Sussidio, so that by 1600 all had been liquidated. In 1600, Venice was reported to have a reserve hoard in coin of 12-14 million ducats. It is evident that family fondi that had been invested in the monti [loans] were being transferred elsewhere as flight capital:

One destination was certainly the Amsterdam Bank, which was founded at about this time. Later in the century there would be the Bank of England.

After 1582, the oligarchical Venetian government institutions were controlled by the Giovani, a cabal of patricians who had emerged from a salon of strategic discussions called Ridotto Morosini. The participants included Morosini, Nicolo Contarini, Leonardo Dona, Antonio Querini, the Servite monks Paolo Sarpi, and Fulgenzio Micanzio, Galileo Galilei, and sometimes Giordano Bruno. The Giovani were determined to be more aggressive against Spain, which occupied Milan and Naples, and against the papacy: these Sarpi called the Diacatholicon. The Giovani were interested in France, Holland, Protestant Germany, and England as counterweights to the Diacatholicon. Out of the Ridotto Morosini would come the French Enlightenment, British empiricism, and the Thirty Years' War.

Let us sample the epistemology of the Giovani, using Sarpi and his precursor Paolo Paruta. The Giovani were skeptics, full of contempt for man and for human reason. Sarpi admired the French essayist Michel de Montaigne, who had been educated by a father who had been in Italy as a soldier and probably imbibed Venetian teachings; Montaigne himself had made the pilgrimage to Venice. Sarpi agreed with Montaigne that man was the most imperfect of animals.

Sarpi was a precursor of Bentham's hedonistic calculus. Man was a creature of appetites, and these were insatiable, especially the libido dominandi. "We are always acquiring happiness, we have never acquired it and never will," wrote Sarpi. [Pensiero 250]

Paruta had been an empiricist: "Although our intellect may be divine from its birth, nevertheless here below it lives among these earthly members and cannot perform its operations without the help of bodily sensation. By their means, drawing into the mind the images of material things, it represents these things to itself and in this way forms its concepts of them. By the same token it customarily rises to spiritual contemplations not by itself but awakened by sense objects." [Bouwsma, p. 206]

Sarpi was an empiricist: "There are four modes of philosophizing: the first with reason alone, the second with sense alone, the third with reason and then sense, and the fourth beginning with sense and ending with reason. The first is the worst, because from it we know what we would like to be, not what is. The third is bad because we many times distort what is into what we would like, rather than adjusting what we would like to what is. The second is true but crude, permitting us to know little and that rather of things than of their causes. The fourth is the best we can have in this miserable life." ("Scritti filosofici e teologici," Bari: Laterza, 1951, Pensiero 146) That is Francis Bacon's inductive method. Bacon's ideas about inductive method were taken from the "Arte di ben pensare" and other Sarpi writings.

For Sarpi, experience means the perception of physical objects by the senses. For Sarpi there are no true universals: "Essence and universality are works of the mind," he wrote disparagingly. [Pensiero 371] Sarpi was brought up on Duns Scotus and William of Ockham. Sarpi was also a pragmatist, arguing that "we despise knowledge of things of which we have no need." [Pensiero 289] Sarpi was also a cultural relativist, and a precursor of David Hume: Every culture has its own idea of order, he said, and "therefore the republics, the buildings, the politics of the Tartars and the Indians are different." [Pensiero 159].

With Paolo Paruta, we already have the economic man enshrined in the myths of Adam Smith: "The desire to grow rich is as natural in us as the desire to live. Nature provides the brute animals with the things necessary for their lives; but in man, whom it makes poor, naked, and subject to many needs, it inserts this desire for riches and gives him intelligence and industry to acquire them." [Bouwsma, p. 211] A speaker in Paruta's dialogues expresses the views of the Physiocrats, saying that wealth derived from farming and grazing is "more true and natural" than other forms. [Bouwsma, p. 212]

Paruta's treatment of the fall of the Roman empire appears to be the starting point for Gibbon: "This stupendous apparatus, constructed over a long course of years through the great virtue and the many exertions of so many valorous men, had finally run the course common to human things, that is to be dissolved and to fall to earth; and with its ruin it brought on the greatest revolution in things." [Bouwsma, p. 283]

In religion, Sarpi and his right-hand man, Fulgenzio Micanzio, were very much Spirituali on the ex sola fede line of justification. A papal nuncio assigned to surveil the two wrote that Fulgenzio "greatly exalts faith in the blood of Christ and the grace of God for our salvation, and leaves out or rarely refers to works." [Bouwsma, p. 498]

Sarpi sounds very much like Bacon, Hobbes, Locke, and Hume. This is no surprise, since Sarpi and Micanzio were in close contact with Hobbes and Bacon, sometimes directly, and sometimes through the intermediary of William Cavendish, Earl of Devonshire, a friend of Francis Bacon and the employer of Thomas Hobbes. Bacon was of course a raving irrationalist, a Venetian-style Rosicrucian, and a bugger. Cavendish may have introduced Bacon to Hobbes, who soon became a couple. In Chatsworth House in Cornwall there is a manuscript entitled "Hobbes' Translations of Italian Letters," containing 77 missives from Micanzio to the Earl (called "Candiscio"). According to Dudley Carleton, Cavendish visited Venice and Padova in September 1614, accompanied by Hobbes. At that time meetings with Sarpi and Micanzio would have been on the agenda. [De Mas, p. 155]

VENICE AND ENGLAND

The contacts between Venice and England during the period around 1600 were so dense as to constitute an "Anglo-Venetian coalition," as Enrico De Mas asserts. The son of the Venetian agent William Cecil (Bacon's uncle) was Robert Cecil, who visited Venice shortly after 1600. Bacon himself was attorney general and lord chancellor for King James I. English ambassadors like Dudley Carleton and Sir Henry Wotton were also important intermediaries. Bacon was also in frequent contact by letter with the Venetian senator and patrician Domenico Molino. Bacon knew Italian because his mother had been active as the translator of the writings of Italian heretics. [De Mas, p. 156] Fulgenzio Micanzio was literary agent for Bacon in Venice, arranging for the translation and publication of his writings. One letter in Latin from Bacon to Micanzio has been located; here Bacon discusses a plan for a Latin edition of his complete works. Another translator of Bacon was the Archbishop of Spalato and Venetian agent Marcantonio de Dominis, who turned against Rome and stayed for some time as an honored guest of the English court before returning to Rome. There was a Bacon cult among the Venetian nobility in those years, and Venice led all Italian cities in the number of editions of Bacon's works.

As for Sarpi, his "History of the Council of Trent" was first published in English in London in an edition dedicated to King James I, and translated by Nathaniel Brent.

Towards the end of the sixteenth century, Spain was showing signs of economic decline, and was attempting to retrench on her military commitments. Spain made peace with France in 1598, with England in 1604, and, after decades of warfare, began to negotiate with the Dutch. Spain also started peace talks with the Ottoman Empire. The Venice of the Giovani was horrified by the apparent winding down of the wars of religion. Especially the Spanish truce with the Dutch was viewed with alarm by the Venetians, since this would free up veteran Spanish troops who could be used in a war against Venice. After taking over Venice in 1582, the Giovani had favored a more aggressive policy against the papacy and the Hapsburgs. After 1600, Venice passed laws that made it harder for the church to own Venetian land and dispose of it; this was followed by the arrest of two priests by the civil authorities. Pope Paul V Borghese responded on profile by declaring Venice under the papal interdict, which remained in force for almost a year, well into 1607.

The use of the papal interdict against a nominally Catholic country caused a sensation in the Protestant world, where tremendous sympathy for Venice was generated by an avalanche of propaganda writings, above all those of Sarpi himself. The Jesuit Bellarmine and others wrote for the papacy in this pamphlet war. Bellarmine puffed the pope as the arbiter mundi, the court of last resort in world affairs. Sarpi, who was an official of the Venetian regime, soon became the idol of the libertines and freethinkers everywhere, and was soon one of the most famous and most controversial persons in Europe. In the end, the Vatican was obliged to remove the interdict without securing any expression of penitence or regret; the Venetian government released the two clerics to a French cardinal who had undertaken a mediation, and the French gave the clerics back to the pope. Lutherans and Calvinists cheered Venice, which appeared to have checked the inexorable advance of the Counter-Reformation. Much was made of national sovereignty, which the Venetians said they were defending against the pope in the name of all nations.

VENICE AND JAMES I

French Gallicans and Huguenots, and Swiss and Dutch Calvinists were for Venice, but none supported Venice more than the degenerate King of England, James I. James was the pedantic pederast who claimed that he got his divine right directly from God, and not by way of the pope. James was delighted with Sarpi's arguments, and with their seeming victory. Venice, by asserting an independent Catholic Church under state control during the interdict, also appeared to be following the example of Henry VIII and the Anglican (or Anglo-Catholic) Church.

Sir Henry Wotton advanced the idea of a Protestant alliance encompassing England, Venice, the Grisons (the Graubuenden or Gray league of the Valtellina region in the Swiss Alps, sought by Spain as a land route between Austria and Milan), Holland, and the Protestant princes of Germany. The former Calvinist King Henry IV of France might be won for such a league, some thought. The Doge Leonardo Dona of the Giovani group even threatened indirectly to lead Venice into apostasy and heresy. "You must warn the Pope not to drive us into despair," he told the papal nuncio, "because we would then act like desperate men!" Sir Henry Wotton took this literally, and included in his alliance proposals plans to get Venice to go Protestant. He forwarded this to London where it was marked in the margin "The Project of Venice, 1608" by Robert Cecil. This was the Cecil who, as David Cherry has shown, staged Guy Fawkes' Gunpowder Plot, an alleged Catholic attempt to blow up the king and the Houses of Parliament, in order to guarantee that James would be suitably hostile to Rome and Spain. The project included a plan for James to become the supreme commander of the Protestant world in a war against the pope. This was clearly a line that Sarpi and company sought to feed to the megalomaniac James I. As part of the scheme, Charles Diodati, one of the Italian Spirituali who had fled to Geneva, was brought to Venice to preach. But later Sarpi and the Venetians found reason to be bitterly disappointed with the refusal of James I and Charles I massively to intervene on the European continent.

During this period, according to one account, an emissary of the Elector of the Palatinate reported that he had been taken by the English ambassador to Venice to visit a Calvinist Congregation of more than 1,000 people in Venice, including 300 of the top patricians, of which Sarpi was the leader. Sarpi invited the German Protestants to come to the aid of Venice in case of war, for in defending Venetian territory they would be helping the Protestant cause as well. ["Scelte Lettere Inedite di Fra Paolo Sarpi," Capolago, Canton Ticino: Tipografia e Libreria Elvetica, 1833, pp. cxi-cxii]

THE ROOTS OF WAR

In reality, the Venetians used the conflict around the Interdict to inflame the religious passions of Europe so as to set the stage for a revival of the wars of religion. The seventeenth century would thus repeat the hecatomb of the sixteenth on an even vaster scale. The Venetian gambit of a clash with the Vatican set the stage for the Thirty Years' War.

The grand design Sarpi peddled to Protestants called for an apocalyptic war between Catholics and Protestants with the latter led by James I and the Dutch United Provinces. In a battle between Venice and the papal states, foreign Protestant armies would fight on Venetian soil, making possible the religious conversion of the terra ferma (Bergamo, Brescia, Verona, Vicenza, etc.) to some sort of Calvinism. [Cozzi, pp. 265-68] At a deeper level, Venice wanted a catastrophic general war in Europe from which Venice could hold aloof, thus surviving at least until the process of the metastasis of the fondi into northern Europe could be completed – until the time, say, of the founding of the Bank of England at the end of the 1600s. Beyond that, the oligarchs would seek to preserve the Rialto as a cultural and ideological center. But the survival of the withered mummy of Venice for a century or two would be possible only if all the other European powers were thoroughly devastated.

It is remarkable to observe how many of the key protagonists who detonated the Thirty Years' War can be identified as Venetian agents.

During the Interdict battle, Sarpi's intelligence agencies went into action to create the preconditions for such a war, not in Italy, but beyond the Alps in Germany. The first step was to organize Germany into two armed camps, similar to the pre-1914 or post-1945 European military blocs. First came the creation of the Protestant Union of 1608, helped by the crushing of the free city of Donauwoerth by the counter- reformation under Maximilian I of Bavaria. The Protestant Union was organized by Prince Christian of Anhalt, the senior advisor to the Elector Palatine. Christian of Anhalt was a vital node of Paolo Sarpi's network, and in the 1870's the Archives of the German city of Bernberg contained a correspondence between Christian and Sarpi. [Julius Krebs, p. 45]

When Christian von Anhalt created the Protestant Union, he sent one Christoph von Dona (or Dohna) to talk to Sarpi in Venice about the entry of Venice into this alliance. Christoph von Dona and his brother Achatius von Dona kept up a correspondence with Paolo Sarpi in their own right [Cozzi, p. 245, 258]. In August 1608, Christoph von Dona met with Sarpi in Venice, and Sarpi told Dona about the measures taken by the Giovani in 1582 to "correct" the functions of the Council of Ten and its subcommittee of three (Zonta), which up until that time had constituted a factional stronghold of the adversaries of the Giovani, who were called the Vecchi (old) and who favored a more conciliatory line towards Spain and the papacy. The Ten had been accused, Sarpi told Christoph von Dona, of being arrogant, and of usurping the main functions of the government, including foreign policy, from the senate, or Pregadi.

The Venetian diplomatic corps was mobilized to exploit the Interdict to create the Protestant Union. The papal nuncio in Paris reported on March 3, 1609 to Pope Paul V on the activities of the Venetian ambassador, Antonio Foscarini, a close associate of Sarpi: "From the first day that he came here, he has always comported himself in the same way: His most confidential dealings are with the agents of various German Protestants, with the Dutch, with the English ambassador and with two or three French Huguenots, who can be considered his house guests. His business has been to attempt to impede in any way possible any peace or truce in Flanders…. In addition to these fine projects, he has been in a big rush to set up this league of Protestants in Germany, and although he has not been able to do much in this direction, in any case I am sure that if he can contribute to this, he'll do it." [Federico Seneca, "La Politica Veneziana Dopo L'Interdetto," Padova, 1957., pp. 21-22]

Within a year of the creation of the Protestant Union in 1608, a Catholic League was formed under the aegis of Maximilian of Bavaria with Spanish support. The conflagration was set.

Academic accounts of the Thirty Years' War often stress the conflict over the succession in Juelich-Cleves (around Duesseldorf) after 1609, which embroiled the Dutch and the Protestants against the imperial Catholics. Some accounts portray Henry IV of France as eager to attack the Hapsburgs in Milan and on the Rhine during 1610, just before Henry IV was assassinated by the alleged Catholic fanatic Ravaillac, who accused Henry IV of being a threat to the Catholic Church. According to other accounts, Henry IV "had decided to reveal to the pope and to the Venetian Republic what was being plotted in Venice by Sarpi, or at least by those who were moving around him." [Cozzi, p. 257]

From Venice, Giovanni Diodati wrote to his friend Philippe Duplessis Mornay telling him of the "petite eglise reformee" (small reformed church) there. Diodati added that "the English minister and ambassador [William Bedell, Wotton's secretary] has been very helpful." This letter was intercepted by Henry IV of France, who passed it to the papal nuncio, who sent it on to Rome and to the Venetian government. Sarpi was soon aware of what had happened. Writing to Christoph von Dohna on 29 September 1608, Sarpi complained, "The King of France has written that Venice is in favor of religion, and he has played a very bad role." "How did it happen that that great principle was put to sleep?" he wrote to another correspondent that summer, referring to the French mediation of the Interdict crisis; "That is also the reason why it is impossible to incite others." [Cozzi, p. 259]

Sarpi's animus against Henry IV suggests that the superficial explanation of Henry's assassination in 1610 may not be the correct one. In any case, Henry's death increased the tensions among the German Protestant leaders, since they had now been deprived of their protector. Henry's death meant that France, a power Venice ultimately hated and feared just as much as Spain, would be plunged again into the internal conflicts epitomized by the St. Bartholomew's massacre of 20,000 Huguenots in 1572; Pope Gregory XIII had called those killings "more agreeable than fifty Lepantos." [R.R. Palmer, p. 106] In the 1600s this civil strife was called the Fronde, and it would be decades before the Fronde was suppressed to the point that France was capable of international action once again.

THE THIRTY YEARS' WAR

In 1615, the Venetians started a border war with Austria, called the Guerra Arciducale. This was the signal that something big was coming. The Austrian Hapsburgs, in order to defend their frontier with the Ottoman Empire, employed a force of refugees from the Balkans called uzkoks (the Serbian word for refugees). Uzkoks settled in Segna and some other ports of the eastern Adriatic where they operated as corsairs against Turkish shipping, and also against the Venetians. The uzkoks, through their depredations and through the cost of measures undertaken against them, were depleting the Venetian treasury. So in December 1615, Venetian land forces crossed the Isonzo River and laid siege to Gradisca. Count John Ernest of Nassau- Siegen raised forces totaling 5,000 men in the Dutch Republic to assist the Venetians; ten English and twelve Dutch warships maintained a blockade of the Adriatic against any ships from Spain or Naples which might have sought to aid their Austrian Hapsburg allies. But Spanish forces did reach the front, forcing the Venetians to accept a negotiated peace.

A recent study highlights the significance of this Venetian-staged conflict in the runup to the general conflagration: "The uzkok war was one of the more bizarre episodes of the earlier seventeenth century, yet it offered an alarming example of how a minor political conflict in a remote corner of Europe could threaten to engulf the whole continent with war…. The uzkok war, although apparently minor, was important because it brought a general European conflict perceptibly nearer. On the diplomatic plane, it cemented or occasioned alliances that favored aggression." [Parker, pp. 40, 42]

In the spring of 1618, executions in Venice were attributed to the discovery by the Council of Ten of an alleged Spanish plot to overthrow the Venetian regime. Some skeptical historians consider that this was a cover story for a Venetian intrigue in which the Spanish governor of Naples, Osuna, was to declare himself independent under Venetian auspices. [Carl J. Friedrichs, p. 151]

The immediate detonator for the Thirty Years' War is usually considered to be the revolt of the Bohemian nobles against the new Hapsburg Holy Roman Emperor Ferdinand II, who was also the King of Bohemia. Under Rudolph II, the previous emperor, the Bohemian nobles had been granted the Letter of Majesty of 1609 which guaranteed them their religious self-determination (ignoring the cuius regio eius religio) and the right to elect their own king. The Bohemians, many of whom were Calvinists, Hussites, and Utraquists, feared that Ferdinand would introduce the militant Counter- Reformation into Bohemia. There followed the celebrated defenestration of Prague of 1618, in which two representatives of Ferdinand were thrown out of the window by a group of Bohemian nobles organized by the Count of Thurn. When Ferdinand sent troops to restore his authority, the Bohemian nobles deposed him and decided to elect a new king. They chose Frederick V, the Elector Palatine, who had his court in Heidelberg, and who, as we have seen, counted Christian von Anhalt and Christoph von Dona among his most trusted advisers. When the Electoral Palatine, now styling himself King Frederick of Bohemia, was routed at the battle of the White Mountain in 1620, he went into the history books as the "unlucky Winter King." Let us attempt further to reveal the fine Venetian hand behind these events, which are the opening rounds of the Thirty Years' War.

The key figure among the Bohemians is the Count Heinrich Mathias of Thurn-Valsassina (1567-1633). This is the senior branch of the family, originally from Venetian territory, which is otherwise known as della Torre, Torre e Tasso, and later as Thurn und Taxis. Thurn's parents had become Protestants, but he entered the imperial army and fought during a campaign against the Ottoman Empire. As a reward he had gotten the important post of Burggraf of Marlstein in Bohemia. Here Thurn built a base among the local nobility, including especially the branch of the Hussites known as the Utraquists. His announced program was the maintenance of Bohemian liberties for these nobles. Heinrich Mathias von Thurn demanded and got the Letter of Majesty, which soon turned into the apple of Bohemian discord. He was named to a special committee of 30 Defenders of the Faith in Prague. He was vehemently opposed to the election of Ferdinand as Holy Roman Emperor, and Ferdinand responded by attempting to oust Thurn as Burggraf, within the framework of other anti-Protestant measures. Thurn then incited the Bohemians to rebel, and this led directly to the defenestration of Prague of May 23, 1618. In the face of Ferdinand's military response, Thurn was made the commander of the Bohemian armed forces. He had captured some of the suburbs of Vienna when he was forced to retreat. During the campaign leading up to the rout at the White Mountain, Thurn was constantly disputing with the Palatine Elector's generals about who was in command. After the rout, he made his career as a general in later phases of the war. [Biographisches Lexikon des Kaiserthums Oesterreich, XLV, pp. 104-06]

Finally, let us look at Frederick V the Elector Palatine himself. The future Winter King, a Calvinist, had married Elizabeth, the daughter of King James I of England, and the English presence at the Palatine court in Heidelberg was associated with the same sorts of cultist kookery we have observed in the cases of Zorzi and Bacon. Rosicrucians in particular were heavily present at the electoral Palatine court. One of them was the English irrationalist and freemason Robert Fludd, whose lengthy treatise on universal harmony, the "Utriusque cosmi historia" was published on the Palatine city of Oppenheim in 1617-19. During the course of the Thirty Years' War, after Frederick had been deposed by the Catholic forces, parts of the Heidelberg library, the Bibliotheca Palatina, were confiscated by the Inquisition and moved to Rome. [Yates, pp. 169-171] Frederick was not the only one infected by the Rosicrucian bacillus in these years in which the saga of "Christian Rosenkreuz" first appeared in Germany. One of Fludd's friends was a certain German Rosicrucian alchemist named Michael Maier, who was reputed to be close to the Hapsburg Emperor Rudolph II. [See Serge Hutin, "Histoire des Rose-Croix," p. 125]

Such Venetian-Rosicrucian irrationalism may provide the key to the Winter King's legendary mental lability and failures of strategic planning. We must also remember that the Elector was constantly controlled and advised by Sarpi's friends Christian von Anhalt and Christoph von Dona. Christian was notorious for his adventurism and brinksmanship; one German account of these events speaks of "Anhalt's crazy plans" [ADB]; these included the ambitious project of wiping out the House of Hapsburg and making Frederick Holy Roman Emperor, a thoroughly utopian undertaking. Frederick V was encouraged to believe that with the aid of a few troops from Venetian-allied Savoy, plus the Bohemians, and support from a few other German states, he could break the Spanish- Austrian-Catholic hold on central Europe.

In August-September 1619, Frederick vacillated over whether or not to accept the Bohemian crown offered to him by Thurn and his cohorts. Bohemia was prime Hapsburg territory, and it was clear that Frederick could not keep Prague without some serious fighting. Some advisers wrote position papers for Frederick warning him not to take the crown, saying that "acceptance would begin a general religious war." [Parker, p. 55] But Christian von Anhalt and his friend Camerarius answered that such a war was inevitable anyway as soon as the twelve years' truce between the Spanish and the Dutch ran out. The Sarpi networks were fully mobilized; Dudley Carleton, the Anglo- Venetian representative of James I in the Hague, wrote in September 1619 that "this business in Bohemia is like to put all Christendom into combustion."

Frederick accepted the Bohemian crown, rushed to Prague, and then found himself in a hopelessly exposed position. After the White Mountain, he never stopped retreating; he failed to rally the Palatinate for a war of self-defense, and was permanently ousted. The death of Gustavus Adolphus some years later closed the books on Frederick V's hopes of being restored in the Palatinate.

The Thirty Years' War, which extirpated about half of the population of Germany between 1618 and 1648, is thus exposed as a piece of utopian- geopolitical tinkering from the satanic cell around Fra Paolo Sarpi.

MORE ON BACON

Even after he was ousted from all his court posts in the wake of confessed bribery and corruption, Francis Bacon remained a loyal Venetian agent. In about 1624, Bacon addressed a memorandum to the new King Charles I in which he urged that England declare war on Spain in order to help restore the Elector Palatine (and Charles's sister) in Heidelberg. The alliance proposed by Bacon was to include new variations on the usual Paoli Sarpi constellation: France, Navarre, Naples, Milan, Grisons, Savoy, Bavaria, the Protestant leader Gabor of Transylvania, and now even Persia, which was attempting to seize the straits of Hormuz. Bacon stressed the Venetian contribution: "It is within every man's observation also that Venice doth think their state almost unfixed if the Spaniards hold the Valtoline." [Bacon, Considerations Touching a War...]

Sarpi had many English admirers; one was Izaak Walton, the author of the famous "Compleat Angler." Another was John Milton, who had repeated praise for Fra Paolo. Milton called Sarpi "Padre Paolo the great unmasker of the Tridentine Council," "Padre Paolo

the great Venetian antagonist of the Pope," and "the great and learned Padre Paolo." Indeed, a whole passage in Milton's famous "Areopagitica," the one dealing with the Council of Trent, closely follows Sarpi's account.

Ludwig Dehio and other historians have pointed out that the characteristic Venetian methods of strategy were also typical of the later English and British colonialism. It was the Venetian asset and architect of the English religious schism, Thomas Cromwell, who wrote, "this realm of England is an empire." Gaining strength under James I, the Venetian party acted out its imperialist impulse during the Stuart and Cromwell periods, and most obviously under the post-1688 oligarchical system. [See Graham Lowry, "How the Nation was Won"] Thus it is that the Venetian methods that were used deliberately to provoke the wars of religion of the sixteenth century, and later the Thirty Years' War itself, can be discerned in the global strategic commitments of today's British oligarchy tending to unleash a global cataclysm, a bellum omnium contra omnes (war of each against all) which no nation and no people could seriously hope to survive.

The ascendancy of Venice after 1200 was instrumental in precipitating the near-collapse of European civilization between about 1250 and 1400. Later, the combined effect of the Venice-sponsored Protestant Reformation and the Venice- sponsored Counter- Reformation was to visit upon Europe the renewed horrors of 1520-1648, to which the British historian Trevor-Roper has referred under the heading of the "little Dark Age." Today the shadows of another such nightmare epoch lengthen over the ruined economies, gutted cities and ethnic conflicts of the late twentieth century. Those wishing to survive must learn to defend themselves from the Anglo-Venetian hecatomb now looming.

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Giammaria Ortes: The Decadent Venetian Kook Who Originated The Myth of "Carrying Capacity"

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During their preparations for the United Nations' so-called International Conference on Population and Development, scheduled to be held in Cairo in September of this year, the genocidal bureaucrats of the U.N. are seeking to condition governments and public opinion worldwide to accept the notion of a "carrying capacity" for our planet. In other words, the U.N. butchers would like to establish scientific credibility for the idea that there is an absolute theoretical maximum number of persons the earth can support. Some preliminary documents for the Cairo conference set a world population level of 7.27 billion to be imposed for the year 2050, using compulsory abortion, sterilization, euthanasia and other grisly means. It is clear that the U.N. and its oligarchical supporters seek to exterminate population groups in excess of the limit.

Academic kooks like David Pimentel of Cornell University argue that the earth's carrying capacity is even lower, and claim that their studies show the need to cut world population down to 2 billion, the "optimum human population" of "number of people the planet can comfortably support."

But where does the idea of "carrying capacity" come from? Is there any scientific basis for attempting to posit any limit for the human family? There is none whatsoever. An examination of the history of the "carrying capacity" argument reveals that it originated as one of the epistemological weapons of the dying Venetian Republic during the late eighteenth century-that is, of one of the most putrid, decadent, and moribund oligarchical societies the world has ever known. The originator of the "carrying capacity" argument was

Giammaria Ortes, a defrocked Camaldolese monk and libertine, who in 1790, in the last year of his life, published the raving tract Reflections on the Population of Nations in Relation to National Economy. Here Ortes set the unalterable upper limit for the world's human population at 3 billion.

Ortes (1713-1790) was a Venetian charlatan and mountebank, and his "population possible to subsist on all the earth" has long since been exceeded and today has been doubled. Ortes was one of the most important ideologues of the Venetian oligarchy in its final phase. Many current proponents of U.N.-sponsored genocide would identify themselves as followers of Parson Thomas Robert Malthus (1766-1834), the author of the infamous "Essay on the Principle of Population," which was published in 1798. But all of Malthus's argument is already contained in a more explicit form in the writings of Ortes. In fact, in the entire school of British Philosophical Radicalism after the time of the American Revolution-including Malthus, Jeremy Bentham (1748-1732), James Mill (1773-1836) and John Stuart Mill (1806-1873), there is virtually nothing that cannot already be found in Ortes. The British empiricists were, as usual, obliged slavishly to plagiarize their decadent Venetian originals.

VENICE AND ORTES

Venice during the eighteenth century was on the surface a state of almost total impotence. During the first part of the War of the Spanish Succession (1702-1713), Venetian territory was repeatedly violated by the contending French and Hapsburg armies, and the Venetians were powerless to do more than protest. At the same time, British and Dutch naval vessels operated freely in the northern Adriatic, which once had been a jealously guarded preserve of the Venetians. After a last war with the Ottoman Empire, which by now was also collapsing, the Venetians signed the Treaty of Passarowitz with the Ottomans in 1718. After this, Venice followed a policy of neutralism, pacifism, and anti-militarism with slogans strikingly similar to the peace movements of the twentieth century; Ortes wrote that military service was always servitude.

From Passarowitz until the liquidation of the Venetian Republic by Napoleon's invasion and the Treaty of Campo Formio in 1797, with which Austria absorbed Venice, the Serenissima was able to spin out an "end of history," with the oligarchy drawing its income from landed estates on the Italian mainland, tourism, and the service sector, including pimps, prostitutes, gigolos, and other parasites. Although more and more of the nobility was impoverished, the few dozen families who were not were among the very richest in Europe. And while Venice had no army at all and no navy to speak of, its secret intelligence agencies and diplomats were among the most active and effective in all of Europe.

By the time of Ortes, the oligarchical cancer that was Venice had largely metastasized to the City of London and the new British Empire. The center of the Venetian Party worldwide was now no longer in the Rialto, but between Westminster and St. Paul's, and the English countryside was filling up with Georgian copies of the Venetian architect Palladio. But in many areas of intrigue and manipulation, the Venetians of Rialto remained unequaled.

So the general direction of Venetian intelligence operations was to act in support of the British Empire, especially by weakening France and the economic school of Colbert. A second axis of Venetian attack was to undercut the influence of the German scientist and philosopher Leibniz, while attempting-as always-to envelop and destroy any and all positive figures in art, music, science and intellectual life. In the process, the Venetians found ways to express their own devotion to absolute, satanic evil. Among the Venetian assets devoted to these activities we find such figures as Giacomo Casanova, Count Cagliostro (Giuseppe Balsamo), and the economist Giammaria Ortes.

The general outlines of the life of Ortes are these: He was born in Venice in 1713 into a family of well-off artisans involved in the production of glass pearls. Ortes had three brothers and two sisters all of whom, like Giammaria, chose holy orders and the religious life. In November of 1727, Giammaria Ortes entered the Camoldolese monastery of San Mattia on the island of Murano in the lagoon. Here he studied philosophy "with the Cartesian method" and was found to be of phlegmatic temperament.

In 1734, Ortes left Murano and became a student at the University of Pisa in a different country, the Grand Duchy of Tuscany. Here his professor was the Camoldolese Abbot Guido Grandi, who taught philosophy and mathematics. Grandi was the editor of Galileo's works. Although the work of Galileo had been condemned by the Roman Catholic Church and would stay condemned until 1757, Grandi was already teaching a mixture of Galileo and the more recent views of the British charlatan and magician Sir Isaac Newton. From Grandi Ortes tells us he learned to think "with the geometrical method." What Ortes means by this is that he was inspired to attempt the Newtonian or quantitative formal-arithmetical analysis of human affairs, including history, economics, and population. This completed the consolidation of Ortes as an arithmomaniac, a firm believer in the absurd propisition that everything that matters can be reduced to a column of figures.

When Ortes returned to Venice in 1738, he entered the monastery of S. Giovanni della Giudecca, where he also began to study law. He says he began to doubt the validity of contracts, including his own monastic vows. Now, after 15 years as a monk, he got his vows nullified and returned to his family home. Living in leisure with the help of his father's modest income, he set to work on the biography of Grandi, which was his first book, published in 1744. From this point on, Ortes retained only the religious title of abate or abbé. This title should suggest to no one that Ortes was some kind of holy man: During this same period, in 1741, the notorious adventurer Casanova was admitted to the four minor orders of the Church and thus also qualified as an abbé.

ORTES AND THE VENETIAN OLIGARCHY

During these years, Ortes became closely associated with one of the most important salons or ridotti of the Venetian aristocracy. This grouping, which was at its height during the period 1740-1760, called itself the "conversazione filosofica e felice" ("philosophical and happy conversation group"). This was a Venetian salon in the tradition of the "ridotto Morosini" of the second half of the sixteenth century, out of which had come Galileo, Paolo Sarpi, and the Venetian orchestration of the Thirty Years' War.

The "conversazione filosofica e felice" was the ideological arm of a closely allied group of Venetian oligarchical families. These included the Labia, the Memmo, the Nani, the Vezzi, the Emo, the Querini, the Conti, the Erizzo, the Mocenigo, and the Giustinian. Sometimes the salon would meet at the palace of the Emo in Venice, and sometimes at the summer home of the Labia, where Ortes usually went on vacation. Some of those who frequented this salon:

- Alvise Zuanne Mocenigo, who frequented the conversazione, was a Procurator of Saint Mark's basilica, and thus an administrator of the centralized investment fund of Venice. Ortes had dedicated a poem to Mocenigo when he was made procurator in 1737. Later, in 1763, this Mocenigo was elected the third to last doge or ruling duke of Venice. Popular opinion was quick to give him the nickname of "the Duchess." A total of three members of the Mocenigo family served as doge during the eighteenth century. In 1759, Ortes would contribute a sonnet to the marriage celebration of another Mocenigo.
- The abate Antonio Conti (1677-1749) was a Venetian nobleman who was the most celebrated intellectual of the conversazione. In 1715, he visited London and became a close personal ally of Sir Isaac Newton, for whom he became an international operative of great importance. Conti traveled to Hannover to meet Leibniz and to undertake operations against him in court intrigue as well as in epistemology. Conti translated Pope's "Rape of the Lock" into Italian, and attracted attention for his 1713 debates with the French philosopher Malebranche. Conti was also well known for his pseudo-classical poetry and tragedies on Roman imperial themes.
- The Procurator of St. Mark's Zuanne Emo was one of the leaders of the Venetian aristocracy during this time. Emo was one of the leading candidates for the post of doge in 1752, but was defeated by Francesco Loredan.
- Andrea Memmo came from a family of so-called "twelve Apostles" patricians, who were said to have participated at the election of the first doge in 697 A.D. Andrea Memmo was one of the leading figures of European freemasonry, and was a close personal associate of Casanova. Memmo worked with Casanova on Venetian intelligence operations against France during the Seven Years' War (1756-1763), when world predominance passed into the hands of the British. If Memmo was unquestionably one of the leaders of Venetian foreign intelligence, he also called himself a "disciple" of Ortes. Ortes modestly wrote that he "had only been [Memmo's] maestro for a few months and only out of friendship," and thanked Memmo late in life for his "old friendship" and "modern-day protection."
- When Ortes published his major work on national

economy, he was told that a very high official of the Venetian government had greatly praised his labors; this turned out to be Girolamo Ascanio Giustinian, a regular of the conversazione.

• The patrician Giacomo Nani was, like Ortes, obsessed with applying "geometry" to "political science." Some of Nani's essays are extant in manuscript at the library of the University of Padua. These include "Political Reflections on the Government of Our City" and "Political Essay about the Aristocracy of the Republic of Venice for the Year 1756." Nani exudes the historical and cultural pessimism that is the hallmark of Ortes. For Nani, "all the ills of our Republic were less bad than the remedies." Nani's starting point was the obvious decadence and rottenness of Venice. "In a corrupt body," wrote Nani, "everything is converted into evil juices and everything becomes bad food." Therefore, Nani thought, "the lesser evil is to leave everything the way it is." In other words, no reforms or government actions would ever produce positive results, a point repeated obsessively by Ortes.

In 1752, a Venetian abbé by the name of Milesi congratulated Ortes for "the honor in which he was held by the main and most illuminated persons of this Republic." In addition to his friends of the conversazione, Ortes had built up his own direct relations with other influential patricians like Tomaso Contarini.

Ortes's friend and ideologue Nani divided the Venetian aristocracy into four parties or classes: These were the "signori," or richest nobles; the "poveri," or destitute nobles, and then two ideological groupings: the "good or quiet ones" and the "strong and free spirits." The latter two were determined by their belief either in quietism or what Nani called "libertinismo." Nani classed himself and his friends among the libertines. He said that the libertines really had "a spirit that matched that of the Republic" and represented the "real," "original" values of Venice.

The libertines were a powerful force for the destruction of eighteenth-century European society. These were the freemasons, cabalists, hedonists, gamblers, necromancers, alchemists, charlatans, and polyvalent procurers who advanced under the banner of Hobbes and Locke, Voltaire and Rousseau. The world of the libertines is evoked in Schiller's novel Der Geisterseher. The libertines were a social movement especially in France from the days of Montaigne and Bayle through the French Revolution; they were the social milieu through which Casanova and Cagliostro moved. Libertine networks were an important asset of Venetian intelligence.

In a letter written by Andrea Memmo to his friend Giuseppe Torelli, Memmo described Ortes as "a good Christian, a good man, a philosopher, and totally indifferent" in the sense of being an agnostic. According to Ortes scholar Piero del Negro, "good Christian" is underlined in the original, as "an indication of the ironic character of the definition." [Piero Del Negro, "Giammaria Ortes, il patriziato e la politica di Venezia" in Giammaria Ortes: Un `Filosofo' Veneziano del Settecento (Florence: Olschki, 1993), pp. 125-182.]

In 1757, a Venetian literary newspaper attacked Ortes as being a "physiotheist." In the ensuing affair, Ortes's book, Calculation on the Value of Human Opinions, was outlawed by the Venetian censors. On another occasion, an attempt by Ortes to get a book published in Bologna was blocked by the censors of the papal states.

These facts about Ortes are important because they undercut the efforts of Ortes himself and of his Anglo-Venetian successors to present him as a lonely and eccentric recluse. Towards the end of his life Ortes wrote of himself as a man "almost unknown to his own country" who had "very few friends and even fewer patrons." But during these same years, Ortes was writing to the patrician Fiordelise Labia as her humble servant and to one of the Querini as "my good patron and friend." And as we have seen, he always kept in touch with Memmo.

All his life Ortes was officially celibate. But he was a passionate devotee of the theatre and the opera, and corresponded with a number of female singers and actresses. He was also addicted to card playing, especially to the popular game of faro. At the end of many of his writings Ortes added his motto: "Chi mi sa dir s'io fingo?" This means: "Who can tell me if I am pretending?" Those who conclude that Ortes was indeed a faker and a libertine will be on firm ground.

By contrast, the public profile of Ortes, especially after about 1760, was that of an ultra-clerical reactionary. Ortes's first book on economics, his 1771 Popular Errors Concerning National Economy is already largely given over to a defense of the prebends and livings of the priesthood and the holy orders. This book contains a table in which widespread "errors" are answered by "axioms" formulated by Ortes. Error IV reads "The incomes of churchmen are excessive." Axiom IV answers: "The incomes of churchmen cannot be excessive." Error V: "The incomes of churchmen reduce those of the general population." Axiom V: "The incomes of churchmen increase those of the general population." [Errori popolari, p. 17] This recalls Malthus's argument that a well-funded state church is necessary to provide the effective demand needed to prevent crises of overproduction–an argument summed up in Malthus's creed that a "church with a capacious maw is best."

In 1785, Ortes devoted another book to a defense of ecclesiastical mortmain (called fidecommessi or manomorte in Italian), which was under attack by the Venetian government. Mortmain was a device used in wills to guarantee that property, especially land, could only be passed on to members of the same family or ecclesiastical community, and not otherwise disposed of. Anticlerical forces attacked mortmain, but Ortes supported it as necessary for the stability of church and state.

Ortes was also employed by Venetian intelligence as an operative in foreign countries. He went to Vienna in 1746, during the War of the Austrian Succession in which France, Prussia, Bavaria, and Spain were opposed to Great Britain, Austria, and Holland. During the following years, Ortes travelled extensively through Italy. In 1751, he was in Tuscany with a lifelong contact, Count Octavian Karl Nicolaus von Sinzendorf, the Grand Prior of Hungary and a secret counselor (Geheimrat) of the Imperial Austrian court. At other times, Ortes was also in contact with the Austrian Empire's ambassador to Venice, Count Philip Joseph Orsini-Rosenberg, who had married a former lover of both Casanova and of Andrea Memmo, Giustiniana Wynne.

During 1755, Ortes was in France, perhaps with Sinzendorf. Then Ortes went on to Vienna, where his contact with Sinzendorf is confirmed. Between April and August 1756 Ortes was in Berlin, and he returned to Vienna at the end of that year.

A short unpublished manuscript is conserved in the archives of Venice's Biblioteca Marciana in which Ortes, writing from Vienna on Nov. 12, 1756, gives his views on a white paper of the Prussian government which set forth the official reasons for Frederick the Great's termination of his treaty with Austria. Ortes, ever the arithmomaniac, states that "the survival of a principality depends on the amount of its own forces multiplied by its deception to defend itself from the forces of its neighbors." [Bartolo Anglani, p. 77] Ortes supports the Austrian position and thus, formally speaking, comes down against the British-allied side. This is not surprising, since Ortes was clearly assigned at the time as an Austrian handler.

The period of Ortes's intensive travel roughly coincides with the 1748 to 1756 interval of peace between the War of the Austrian Succession and the Seven Years' War, the two phases of the world war of the mid-eighteenth century from which the British Empire emerged victorious. A short biography of Ortes provided by his posthumous editor Custodi states that Ortes also visited England during these years. Around 1745, Ortes became interested in the English writer Alexander Pope, and began work on an Italian translation of Pope's "Essay on Man" which was published three decades later, in 1776. The economic writings of Ortes also show that he was aware of the existence of extreme poverty in England, which he describes.

During the summer of 1755, Louis XV of France and Count Kaunitz, the Austrian foreign minister, began to negotiate what became known as the Diplomatic Revolution of 1756, the famous "reversal of alliances" which for the first time in centuries saw French Bourbons and Austrian Hapsburgs allied, specifically against Great Britain and Frederick the Great of Prussia. Later, Count Kaunitz would ask for two copies of Ortes's book on national economy. Ortes's itinerary of the period touches three capitals immediately involved in the rapid policy shifts of 1755-56–Paris, Vienna, and Berlin. The full story of Ortes's role in these events is still hidden in unpublished materials in the Venetian archives.

THE OUTLOOK OF ORTES

Ortes often speaks most frankly in the works which he never published, but which have survived only in manuscript. Such is the case of Ortes's work Reflections of an American Philosopher of a Few Centuries in the Future on the Customs of the Europeans of the Current Century, with Some Considerations on these of a European Philosopher of the Current Century. This is a work full of hatred for western civilization, expressed from a multicultural standpoint. Writing two centuries in the future from Ortes's time, the noble savage Aza, one of the indigenous peoples of the Americas, offers a commentary on the decadence and corruption of "those

barbarians," that is to say of the Europeans. Aza is later joined by another noble savage of the Americas, named Zima, who offers further observations. Then the entire package is commented upon by a European of the time of Ortes. Aza and Zima embrace the typical doctrines of Jean-Jacques Rousseau, while the European philosopher answers with the ideas of Thomas Hobbes.

For Aza and Zima, the cause of European decadence is the existence of society itself. Aza finds that "if nature ever produced a bastard, then it was certainly in the European race of that time." Aza continues:

"It is true that in order to realize their error it should have been enough [for the Europeans] to extend their thoughts beyond what their eyes could see, beyond that margin of the earth where they had so thoughtlessly multiplied themselves, to the vast tracts of America, Africa, and Asia. Here they would have seen humanity, without vices and not afflicted by any social establishment, living free and independent, without needs or desires which could not be easily satisfied; and they would have seen from the larger and more tranquil part of mankind what is their natural condition." [Bartolo Anglani, "Ortes e Rousseau: Le `Rifelssioni di un Filosofo Americano'|" in Giammaria Ortes: Un `Filosofo' Veneziano del Settecento, pp. 102, 104.]

Within society, Ortes targets in particular religion for a special attack. Aza traces the origin within western society of authority, first as custodian and interpreter of the laws, then as the arbitrary creator of laws. The "necessity of the times created a similar authority, and not being able to assign it on earth, they thought to extract it from the sky…. It was agreed to give credence to a heavenly authority armed, in the absence of a sword, with thunderbolts and darts." [Anglani, pp. 101-102.] Then came the invention of "another life" after life on earth, a life of "invariable and eternal length" to be lived out by "a special and separable essence" called "soul or spirit." Finally, religion was represented as quasi-human and modelled on "sublimated human authority." Later, says Aza, "a species of men took over the actual representation of this spirit, and formed that famous union among themselves which they called Church. These men were destined to consider themsleves as mediators between that spirit and every other common man…. And to make that more persuasive, they tried to make the spirit itself palpable, giving it human form and making it visible for all time in a succession of lieutenants." [Anglani, 101] The answer given to all this by the European philosopher of 1760 is the brutal Hobbesian one that human beings are compelled to live together in society in order to avoid the attacks and aggressions of which they would otherwise be the target.

Here we see the constant themes of Venetian propaganda from the Third Crusade through the war against the Renaissance to Mazzini: the denigration of western civilization and Latin Christianity by a city-state that was always a part of the Byzantine-Orthodox tradition; the desire to wipe out the Roman papacy; and the exaltation of backwardness and irrationality. Given his need to preserve his cover as a churchman, Ortes was well advised not to have published this piece of writing, which would have placed him among the most raging libertines of his century.

But Ortes's published works are revealing enough. In 1757, Ortes published his "Calcolo sopra i giuochi della bassetta e del faraone," a mathematical study of card playing. Here the abbé makes the following observation on the essence of gambling and human nature:

"The fact that a passion for gambling is a superstition will not seem strange to anyone who considers that any human passion is just as much a passion and an error, precisely because it is a persuasion for which no reason can be furnished…. So that we would say that since in human affairs everything depends on passion, everything depends on superstition, that one superstition does nothing but fight another, that the man who is considered the most important is the most superstitious, and that the lazy man is the most abject among men because he is without passions and without superstitions."

In the same year of 1757, Ortes published two essays in one volume entitled Calculation of the Value of Opinions and of the Pleasures and Pains of Human Life. The atmosphere here is Hobbes and Mandeville, and prefigures the later hedonistic calculus of Jeremy Bentham. Ortes's main point in the Calculation of the Pleasures and Pains of Human Life is that man is above all a creature dominated by pain and suffering, and that what is called pleasure is merely the momentary absence of pain. Pain is the norm, and pleasure the brief exception.

Ortes sums up his argument thus:

"That man is subjected by nature to pain and not to pleasure, that pain and pleasure proceed in man from the torment and from the relief of his fibers, that pain in man is in greater supply than pleasure, that the number of pains and pleasures depends on the force of application-this can be said with certainty…. If these doctrines are thought to redound to the discredit of humanity, I find myself to be of this species without complaining about it; and if I conclude that all the pains and pleasures of this life are only illusions, I can add that all human ratiocinations are only madness. And when I say all, I do not except my own calculations." [Anglani, pp. 147-148]

It was the Calculation of the Value of Human Opinions that got Ortes in trouble with the censors and brought him under public attack as a "physiotheist." The Venetian newspaper Novelle della repubblica letteraria of Aug. 27, 1757 listed a series of propositions found by the reviewer in Ortes's book. Among these were that "every man is equal to every other, and all are equally worth nothing." Then came "prudence," which Ortes was accused of having defined as "a useful deception." Ortes had written that:

"every man is inclined by nature to the pleasure of the senses. This induces him to live in society from which he derives a quantity of these pleasures." [Anglani, p. 122]

Ortes further asserted that:

"the value of opinions are riches, since it is clear that riches change and buy opinions like any other type of commerce, and thus become the common measure of opinions as of all the products of nature and of art. These riches, then, that measure opinions are those that we possess or that we acquire or that we can make use of by means of these opinions, divided by the number of supporters of these opinions." [Anglani, 126]

During these years, Ortes was interested in contemporary French writers like Maupertuis and La Mettrie. After 1757, Ortes published nothing for more than a decade. In 1761, he wrote to a friend that he had stopped studying. This is when he decided to become an economist.

ORTES THE ECONOMIST

In 1774, Ortes published his principal work, Della Economia Nazionale (On National Economy). He begins by dismissing as superficial those believers in progress and humanitarians who wish to improve the material prosperity of humanity. Those who have insight can see that:

"national economy is a matter which cannot be improved in any way by any particular action, and all attempts by persons seeking to organize national economy according to a better system, as regards provision or increase of goods, have to end up as useless efforts."

Ortes expands on this theme:

"But that the general wealth cannot be increased for some without an equal deficiency of them for others; that no one can find himself better off without someone else being worse off, or without somebody's suffering; that the mass of common goods is determined in every nation by the need, and that it cannot exceed this need by even a hairsbreadth, neither by the charms of a charlatan nor by the work of a philosopher nor even by the work of a sovereign; this is what, as far as I know, was never said or at least was never proven by anybody, but is rather contrary to what is usually advanced on this subject in public discourse, in secret murmurings and with all kinds of books, be they the most common or the most bizarre. [Nuccio, Ec. Naz., p. 41-42]

Ortes goes on to add some observations on what he calls "economic good and evil" or the abundance and deficiency of products. As a Venetian Aristotelian, Ortes believes that production is rigidly determined by the number of people involved, and cannot otherwise be increased. The only problems that can be solved by human intervention or the policies of government are to some degree those of distribution.

In the course of this argument, Ortes sets up the single axiom upon which his entire study of national economy will depend:

"This will be, that everything that is done, is done with sufficient reason; which means that nobody undertakes an action, work, or job of any kind without an impulse of motivation for this, be this motivation good or evil…." [Nuccio, pp. 43-44]

This is doubtless a conscious parody of Leibniz's famous doctrine of sufficient reason, which for him was a principle of the intelligibility of causality. What Ortes means, by contrast, is the most vulgar materialism and hedonism. Ortes means that a human being will normally tend to inert torpor, but will be roused to work as much as necessary to survive or to satisfy other needs. However, no one will ever work more than is necessary for survival and for

the satisfaction of these needs. Hence derives for Ortes the fixed and unimprovable level of the wealth of each nation, which will always be the product of its population multiplied by this irreducible minimum amount of work. Or, as Ortes says:

"Having posited this truth, I say again, the substances spread throughout a nation and by means of which the nation exists must be determined precisely by the needs of the nation, without any abundance or deficiency; so if we suppose in any nation some number of persons, they will require certain goods in order to survive, and the reason for the production of these goods will only be precisely providing for these persons. Because however these persons can only consume a determined quantity of goods, these goods cannot fall short or be excessive in relation to their need, thanks to the fact that if the goods were not there or were inferior to the needs of all, all those persons would not survive, which is contrary to our supposition; and if the goods were excessive or were superior to the need, then those goods would have been produced and would be kept without sufficient reason, without which nothing is ever done, as we pointed out." [Nuccio p. 44]

Ortes has thus preceded John Von Neumann and others in defining economic reality as a zero-sum game. The experienced card-playing abbé makes this very explicit:

"The good therefore, understood as the possession of goods in excess of what is needed, can only be expressed between the individual and the commonality as the number zero, and since there is an inevitable lack of goods for some if these are to be abundant for others, this good can only appear as a mixture of economic good and evil, which tends neither to one nor to the other, or as the vector sum of forces which, operating with equal energy in different and opposite directions, destroy each other and resolve themselves into nothing. [Nuccio, p. 45]

Ortes then proceeds to provide a graphic and extreme illustration of these absurd ideas. He sets up the contrast between the Roman Emperor Nero, who was certainly a bloody and repressive tyrant, and the emperor Titus, whom he presents as a model of good and mild government. Ortes then argues that Roman soceity was just as well off under Nero as under Titus:

"people will certainly say that Titus promoted [the common good] in his time, and that Nero promoted it in the totally opposite direction, since Titus pursued his own interests without destruction and Nero pursued his interests with the destruction of the common good, so that wealth grew under Titus and decreased under Nero. But economic good and the lack of it were equal under these two emperors, which can be convincingly shown by the fact that no matter how many people Titus made happy, without making anyone unhappy, and no matter how many people Nero made unhappy in order to make himself happy, Titus would nevertheless eternally have found someone to make happy, and Nero someone to make unhappy." [Nuccio, p.50]

Which goes to show that a determined Aristotelian kook can "prove" literally anything.

ORTES AS DEMOGRAPHER

Ortes's most influential work was his Reflections on the Population of Nations in Relation to National Economy, published in 1790, but apparently written starting in 1775. The dirigists and kameralists of the eighteenth century were agreed that one of the main purposes of government was the promotion of population as the key source of national wealth: gobernar es poblar, to govern is to populate, said the Spanish proverb. Ortes starts off by noting that

"these writers are all accustomed to teach that the growth of population is a great advantage to a nation, with the supposition of thus increasing wealth and by consequence the national greatness and power which depend on that wealth." Against this, Ortes contends that "the population in any nation must be contained within certain limits…." [Ortes, p. 7]

Alongside of population growth, Ortes attacks foreign trade:

"I have no doubt in asserting that domestic trade is to be preferred to foreign trade in the certainty that domestic trade is the one by which a nation is provided with the goods necessary, commodious, and pleasurable for its maintenance, and foreign trade is only a supplement for deficiencies in domestic trade." [Ortes, p. 8]

In other locations Ortes endorsed free trade precisely as this type of supplement, arguing that such free trade would be equally beneficial for all concerned.

Against all evidence, Ortes has no trouble in denying the obvious fact that the standard of living and productive capacities do vary among nations. He repeats his creed that:

"the goods of a nation are in every nation in proportion to the population, without excess or deficiency, and that given the same population it is not possible to increase them for some people without reducing them just as much for others." [Ortes, p. 10]

What of the fact that the sovereign, government, and great nobility of certain countries seem to be much wealthier than those of other countries? Ortes concedes that they may indeed be wealthier. But he quickly adds that:

"since the capital of money and of goods in every nation is in proportion to its population, it must be said that the greater wealth of some only occurs through just as much greater poverty for others in the nation itself."

Therefore, to increase a nation's population and foreign trade with the goal of making that nation richer, greater, and more powerful than the others is nothing but a fraud, in which instead of looking at the whole nation only a few are considered, such as the sovereign and the great nobles who shine most brightly; and this is a very false thing, because the nation is made up not just of this sovereign or of those great nobles, but of these together with the rest of the population, without which there would be no sovereign, no great nobles and no nation at all. [Ortes, p. 12]

To make the government and the nobility rich, far greater masses of people are made poor, resulting in "servitude and oppression." [Ortes, p. 13] Economists ought to be concerned about redistribution of wealth by "diminishing the excessive wealth of the rich," but the economists do the opposite. The current century claims to be the most illuminated, but is in reality the most stupid and senseless of all.

In his first chapter, entitled "Unlimited Progress of Generations," Ortes starts from his standard population sample of two men and two women of an age suitable for reproduction, with two surviving parents and one surviving grandparent. He assumes a natural and unalterable tendency of each couple to produce 6 children, of which 2 die before reaching the age of 20. Ortes then shows, with tables, that at this rate, the population will double every 30 years. He produces further tables to show that after 900 years, a population which doubles every 30 years will reach more than 7.5 billion.

Ortes comments:

"Thus, taking into account only time and the faculty of generation, the population, after those 6,000 years which are usually counted from the creation of the world until today, would by now be found to have grown to so many living persons not only as to not be able to breathe on the earth, but even so many as could not be contained on all its surface from the deepest valleys to the steepest mountains, packed numerous like dead and dried herring in their barrels. This makes known that there is a necessary limit at which the progress of generations stops…." [Ortes, p. 28]

In the case of animals, the limit to population growth is provided by the actions of mankind or by predators and other natural factors. Human population increase is limited by mankind's need for products like "food, clothing, and dwellings of the vegetable and animal types as they are in use in human life…." These are limited, says the abbé. Therefore, human population growth must also be limited:

"In this way, since it is believed that all the products mentioned above as necessary for human life which can be extracted from the entire surface of the earth and from the animals that are found there are as many as are sufficient to feed, to dress, and to house up to 3,000 million persons, this will therefore be the maximum of persons capable of surviving at the same time on earth, and that progression will have to stop when it arrives at that number; this is something that will happen after 840 years if the 7 persons assumed had found themselves alone on the earth at the creation of the world or after a universal flood. If that progression [of population] were to proceed beyond this, the parents would have to strangle their babies in their diapers or use them as food, unless the earth were expand like a balloon blown up from the inside, and did not double its surface for each new generation until it filled the immensity of the skies." [Ortes, p. 34]

Ortes always strictly ignored technological change and the impact that this might have on, for example, agricultural production, or infant mortality and life expectancy. For him, all forms of production were fixed, frozen, and never had and never would change. There was no such thing as progress or improvement. In ignoring technological and scientific innovation, Ortes ignored the primary data of economics and the main factors which determine relative potential poopulation density in the real world. Ortes is interesting only as a kind of Canaletto of economic pathology who provides us with snapshots of a society of monstrous stagnation and decadence, Venice on the eve of its extinction.

Although Ortes set the world's "carrying capacity" at an immutable maximum of 3 billion, he estimated that in his contemporary world the total human population was slightly more than 1 billion. Why had world population not already collided with the 3 billion upper limit? Ortes blamed the rich, who limited the size of their families in order to keep their wealth concentrated in a single line of inheritance, and thus kept the poor too impecunious to be able to maintain any family at all. These arguments are deeply tinged with Venetian provincialism. Population would expand, Ortes thought,
"if men were less greedy or did not oppress each other with poverty and with excessive riches." [Ortes, p. 35]
Ortes believed that it was necessary to stabilize world population in a zero growth mode. For this, he recommended celibacy. He called for as many persons to remain celibate as got married, and used tables to show that if this were the case, population would remain permanently stationary. As undesirable alternatives to celibacy he listed prostitution, eunuchs, polygamy, and "other modes of incontinence used by the barbarous nations…" [Ortes, p. 41]
Later Ortes established his model of an ideal or "natural" nation, which was a state of 5,000 square miles of territory of the type found in the Italy of his day (The miles used by Ortes are old pre-metric system Italian miles which approximate nautical miles), with a population of 1 million, and a population density of 200 persons per square mile. In his view, such a state would allow the optimal use of economic resources by minimizing the depradations of government and court. He added that if a country got any bigger, the mutual intelligibility of dialects would be lost and the people would no longer speak the same language. Ortes contrasted to this model of a "natural" nation the "artificial" nations, characterized by "immense numbers of people on lands that are even more immense in relation to their numbers." In the artificial states, wealth and population were concentrated in the congested capital and other big cities, leaving vast areas empty.
Ortes thought that the more "natural" European states were the petty Italian and German states, Holland, and Switzerland, where the population density reached 200 per square mile. In Spain, France, Great Britain, Prussia, Austria, and Poland, he estimated a population density of 72 per square mile. In Russia and European Turkey he estimated 40 inhabitants per square mile. This gave a total European population of 160,000,000. He estimated that Asia was five times bigger than Europe, but with a population of only 480,000,000 because of an even lower population density. But he thought that Asia was more densely populated than either Africa, with 220 million, or the Americas, with 240 million, according to his estimates.
It may be obvious already that Ortes had never studied population growth as such, but was merely describing some aspects of the moribund society of which he was a part-decadent Venice a few years before its end. Whether his ideal state has 1 million people or 3 million (as at various points in On National Economy) it is clear that he has only Venice in mind. At this stage the city of Venice had about 160,000 inhabitants, a sizable decline from earlier centuries.

ORTES ON VENETIAN DECADENCE

Ortes admitted more or less openly that he was writing about Venice. His chapters on the demographics of noble families reflected the Venetian decadence: for the family fondo to remain concentrated in a single line of biological inheritance, all the sons but one had to remain unmarried, with the youngest son often being given the responsibility for carrying on the line. More than two-thirds of the daughters of the aristocracy had no hope of finding husbands, and generally entered convents and other religious institutions which quickly acquired a reputation for licentiousness. According to E. Rodenwalt, in the sixteenth century 51% of Venetian male nobles remained unmarried; in the seventeenth century this had risen to 60%, and in Venice's final century to 66%. Of the fourteen doges who reigned between 1675 and 1775, only four were ever married-and this does not count the "dogaressa" mentioned above.
The impoverished nobility formed a social class known as the barnabotti who retained their membership in the Maggior Consiglio, but who were forced by their noble status to abstain from any productive work and who thus tended to become corrupt state officials, political fixers, spies for the Council of Ten, etc. Many barnabotti lived on government welfare payments. Free housing and other provisions were offered to any of the barnabotti who agreed to remain unmarried and to have no offspring. In order to avoid the decimation of the ranks of the aristocracy, family membership in the Maggior Consiglio was offered in return for large cash payments at various times during the eighteenth century. This was the policy warmly recommended by Ortes as one of the main policy points of his Reflections on Population: a way of selling luxurious state rooms on the Titanic.
In addition to having provided the main ideas for the English philosophical radicals, Ortes also received high praise from Karl Marx. The samples of Ortes's demagogy proivded here may cast some light on the reasons for this affinity. Ortes always provides a class analysis imbued with class conflict according to the shifting alliances of the various strata of Venetian patricians. In volume I of Capital Marx praised "the Venetian monk, Ortes" as "an original and clever writer." For Marx, Ortes was "one of the great economic writers of the eighteenth century [who] regards the antagonism of capitalist production as a general natural law of social wealth." Marx quotes Ortes's remark at the opening of On National Economy that "instead of projecting useless systems for the happiness of the peoples, I will limit myself to investigating the cause of their unhappiness." In Marx's view, Ortes was distinguished by his steady contemplation of "the fatal destiny that makes misery eternal…." Doubtless instructed by his master David Urquhart, Marx railed against Malthus as a reactionary plagiarist, but summoned only respect for the Venetian Ortes.
In reality, Ortes was no economist, but an evil Venetian charlatan. He was a writer of excruciating boredom who managed to be a pedant while citing no authors other than himself. Yet it is in the name of doctrines of population stability and world carrying capacity traceable back to this raving faker of Venetian intelligence that the international Malthusian movement and the United Nations bureaucracy propose to carry out the greatest genocide of human history. The insanity of Giammaria Ortes is one more good reason to boycott and shut down the Cairo Conference.

BIOGRAPHICAL NOTE

For summaries of the biography and writings of Ortes, see Giammaria Ortes: un "filosofo" veneziano del Settecento (Florence: L.S. Olschki, 1993), based on the proceedings of a conference of the Cini Foundation.
See also material on Ortes in Gianfranco Torcellan, Settecento Veneto e altri scritti storici (Torino: Giappichelli, 1969).
For Ortes's relations with the Venetian oligarchy, see Piero del Negro, "Giammaria Ortes, il Patriziato e la Politica di Venezia" in the cited Giammaria Ortes collection, pp. 125-182.
See also in the same collection Bartolo Anglani, "Ortes e Rousseau: Le `Riflessioni di un Filosofo Americano.'|"
A number of the shorter and/or previously unpublished works of Ortes appear in Bartolo Anglani (ed.), Giammaria Ortes: Cacolo sopra la verita' dell'istoria e altri scritti (Genoa: Costa & Nolan, 1984).
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How the Dead Souls of Venice Corrupted Science

ICLC Conference, September, 1994

There is a cancer growing on world history – the cancer of oligarchism. Between 1200 A.D. and about 1600 A.D., the world center of gravity for the forces of oligarchism was the oligarchy of Venice. Toward the end of that time, the Venetian oligarchy decided for various reasons to transfer its families, fortunes, and characteristic outlook to a new base of operations, which turned out to be the British Isles. The old program of a worldwide new Roman Empire with its capital in Venice was replaced by the new program of a worldwide new Roman Empire with its capital in London – what eventually came to be known as the British Empire.

This was the metastasis of the cancer, the shift of the Venetian Party from the Adriatic to the banks of the Thames, and this has been the main project of the world oligarchy during the past five centuries. The Venetian Party, wherever it is, believes in epistemological warfare. The Venetian Party knows that ideas are more powerful weapons than guns, fleets, and bombs. In order to secure acceptance for their imperial ideas, the Venetian Party seeks to control the way people think. If you can control the way people think, say the Venetians, you can control the way they respond to events, no matter what those events may be. It is therefore vital to the Venetians to control philosophy and especially science, the area where human powers of hypothesis and creative reason become a force for improvements in the order of nature. The Venetian Party is implacably hostile to scientific discovery. Since the days of Aristotle, they have attempted to suffocate scientific discovery by using formalism and the fetishism of authoritative professional opinion. The Venetian Party has also created over the centuries a series of scientific frauds and hoaxes, which have been elevated to the status of incontrovertible and unchallengeable authorities. These have been used to usurp the rightful honor due to real scientists, whom the Venetians have done everything possible to destroy.

We can identify the Venetian faction which has been responsible for the most important of these scientific and epistemological frauds. They can be called the “dead souls” faction, or perhaps the “no-soul brothers” of Venetian intelligence. This is because their factional pedigree is based on the belief that human beings have no soul. Their factional creed is the idea that human beings have no creative mental powers, are incapable of forming hypotheses, and cannot make scientific discoveries.

THREE GROUPS OF VENETIAN GAMEMASTERS

We can approach these Venetian dead souls in three groups. First there is the group around Pietro Pomponazzi, Gasparo Contarini, and Francesco Zorzi, who were active in the first part of the 1500s. Second, there is the group of Paolo Sarpi and his right-hand man Fulgenzio Micanzio, the case officers for Galileo Galilei. This was the group that opposed Johannes Kepler in the early 1600s. Third, we have the group around Antonio Conti and Giammaria Ortes in the early 1700s. This was the group that created the Newton myth and modern materialism or utilitarianism and combated Gottfried Wilhelm Leibniz. These three groups of Venetian gamemasters are responsible for a great deal of the obscurantism and garbage that weighs like a nightmare on the brain of humanity today. These Venetian intelligence officials are the original atheists and materialists of the modern world, as reflected in the sympathy of Soviet writers for figures like Galileo, Newton, and Voltaire as ancestors of what was later called dialectical materialism.

The leading figure of the first grouping in the early 1500s was Gasparo Contarini. In other locations we have told the story of how Contarini, for Venetian raisons d’état, set into motion the Protestant Reformation, including Martin Luther, King Henry VIII of England, Jean Calvin of Geneva, and the Italian crypto-Protestants known as gli Spirituali. At the same time, Contarini was the cardinal of the Roman Catholic Church who masterminded the early phases of the Catholic Counter-Reformation. Contarini was the personal protector of Ignatius of Loyola, and played a decisive role in establishing the Jesuit Order. Contarini also convoked the Council of Trent on an Aristotelian platform.

It is with Pietro Pomponazzi that we see the explicit factional pedigree of the dead souls faction. Pomponazzi started from Aristotle, as the Venetian Party always does. Aristotle asserted that there is no thought which is not mixed with sense impressions. This meant that there is no part of our mental life which is not contaminated by matter. For Pomponazzi, this proved that the soul does not exist, since it has no immaterial substance. Contarini warned Pomponazzi not to take this matter any further, but also remarked that the only time that the existence of the soul is really certain is when the person is already dead. For Contarini, as a practical matter, there is no empirical human soul that you can be aware of while you are still alive.

Francesco Zorzi was the envoy of this group to Henry VIII, to whom he became the resident sex adviser. Zorzi illustrates the typical profile of a Venetian intelligence operative in the early 1500s: He was a Franciscan friar whose main occupation was black magic of the Rosicrucian variety. He was a conjurer, a necromancer, an apparitionist. Think of Christopher Marlowe’s Doctor Faustus, and you have the portrait of Zorzi. Not exactly a role model for science nerds of any age. As the 1500s turned into the 1600s, this profile began to present serious drawbacks and limitations.

SARPI AND GALILEO

Until about 1600, the posture of the Venetian Party toward science was one of more or less open hostility, favoring black magic. But in the early 1600s, the group around Sarpi succeeded in changing their public profile from being the enemies of science to being the embodiment of the most advanced and sophisticated science. For several centuries after this, the Venetians would work inside the scientific community to take it over. They would claim to represent the highest expression of scientific values. In this way, they could institutionalize the dead hand of formalism and the fetishism of authority, so as to stifle the process of discovery.

The chief of Venetian intelligence who made this possible was Paolo Sarpi. Sarpi and his friend Fulgenzio Micanzio were Servite monks. Sarpi was part of an important Venetian salon of the day, the Ridotti Morosini, which met for discussions in the palace of the Morosini family on the Grand Canal. The Morosini were the direct ideological heirs of Gasparo Contarini. The Morosini salon centered on a discussion of science, and it became the nucleus for the youthful faction of the Venetian oligarchy, the so-called Giovani, who became powerful after 1582. The Giovani favored a policy of cooperation with Holland, England, and France in conflicts with the Austrian and Spanish Hapsburgs and the papacy. The Vecchi, the oldies, serviced the Venetian networks on the Spanish and papal side, which were also quite extensive.

We have told in other locations how Sarpi organized and unleashed the Thirty Years’ War in Central Europe, using agents like Max von Thurn und Taxis, Christian von Anhalt, Christoph von Dona, and the Elector Palatine Frederick, the so-called Winter King. In this sense, Paolo Sarpi personally exterminated about one-third of the entire population of Europe, and about one-half of the population of Germany and surrounding areas. Sarpi also caused the assassination of King Henry IV of France when Henry opposed Sarpi’s designs and exposed him as an atheist. Paolo Sarpi, we see, is a worthy predecessor to Bertrand Russell.

But Sarpi in his own time was considered an eminent mathematician. One contemporary wrote of him: “…I can say about him without any exaggeration whatsoever that no one in Europe excels him in the knowledge of [mathematical] sciences.” This is the view of Sarpi held by Galileo Galilei.

Sarpi’s companions at the Ridotto Morosini during the 1590s included the influential mystic Giordano Bruno. Starting in 1592, there was also a professor of mathematics at the nearby University of Padua: Galileo Galilei, a native of Florence. Galileo taught mathematics in Padua from 1592 to 1610, and it was during his stay on Venetian territory that he became a celebrity. Galileo was a paid agent of Sarpi and, after Sarpi’s death, of Sarpi’s right-hand man Micanzio. There is a correspondence on scientific subjects between Sarpi and Galileo, including on magnetism, which was Sarpi’s favorite, because he found it occult. Galileo proposed some of his first ideas on falling bodies to Sarpi, who enthused that Galileo had been born to solve the question of motion.

Galileo’s fame was procured when he used a small telescope to observe the moons of Jupiter, the rings of Saturn, and the phases of Venus. He reported these sightings in his essay The Starry Messenger, which instantly made him the premier scientist in Europe and thus a very important agent of influence for the Venetian Party. This entire telescope operation had been devised by Paolo Sarpi.

The first telescope had been built by Leonardo da Vinci about a hundred years before Galileo. Susan Welsh has called attention to the research of Domenico Argentieri on Leonardo’s optical

manuscripts, which demonstrates that Leonardo's telescope had a convex lens at one end and a concave lens at the other. Its magnifying power was rather weak, but it was a telescope. There are reports of a telescope made in Italy in 1590. By 1608, telescopes began to turn up in Holland, and Galileo says he was encouraged by reports of them to build his own telescope in 1609.

Sarpi's version of these events is more revealing. He wrote on March 16, 1610 that a telescope had been found in Holland two years before, therefore in spring 1608. "Once this was found," wrote Sarpi, "our mathematician of Padua [Galileo] and some of our other people who are not ignorant of these arts began to use the telescope on celestial bodies, adjusting it and refining it for the purpose…." Notice: Galileo "and some of our other people." It would appear that the observations were made not from Padua, but from Paolo Sarpi's Servite monastery in Venice. Sarpi wrote about Galileo as "our mathematician," saying that he had "frequently discussed with him at the time" about the results of the telescopic observations, and did not need to read what Galileo had written about them.

In 1611, a Polish visitor to Venice, Rey, wrote that Galileo had not really been the inventor of the telescope, but that the "adviser, author, and director" of the telescope project had been Father Paolo Sarpi, "who is considered the greatest mathematician here."

In 1597, Johannes Kepler had sent a copy of his new book, Mysterium Cosmographicum, to Galileo. This was the work in which Kepler proposed the Platonic solids as the basis for understanding the harmonic ordering of the planetary orbits around the Sun. Galileo thereupon sent a letter to Kepler, explaining that he, too, was a follower of the Copernican or heliocentric view, but that he "had not dared" to come forward with this view because of fear, and preferred to sit on the whole business because of the climate of opinion. Kepler had written back urging Galileo to be confident and to go forward with the struggle for truth, offering to find publishers in Germany if the Italian climate were too oppressive. Galileo did not do this, and refused to comment in detail on Kepler's book. According to Kepler's biographer Max Caspar, in the following years Galileo used material from Kepler in his lectures, but without giving Kepler credit.

Kepler and Galileo were in frequent contact for over 30 years. Kepler commented with benevolent interest – and with subtle polemics – about Galileo's published works. But Galileo never commented systematically on Kepler's laws. In 1609, Kepler published his Astronomia Nova, expounding his first and second laws of planetary motion – that the planets move in ellipses of which the Sun is one focus, and that the planets sweep out equal areas in equal times between themselves and the Sun as they revolve. In Galileo's Dialogues on the Two Great World Systems, published in 1533, Kepler is hardly mentioned, while the discussion centers on Copernicus, with his perfect circle orbits of the planets around the Sun, which had no hope of accounting for the observed positions of the planets. At the end, one of the characters says that he is surprised at Kepler for being so "puerile" as to attribute the tides to the attraction of the Moon.

During the first years of the pontificate of Pope Urban VIII Barberini, Galileo was the semi-official scientist for the pope. But in 1631, when the Swedish Protestant army of Gustavus Adolphus fought its way through Germany, reached the Alps, and seemed ready to sweep down on Rome, Urban VIII turned abruptly from a pro-French to a pro-Spanish policy. The Spanish ascendancy is the backdrop for the trial of Galileo carried out by the Dominicans with Jesuit support. Some years earlier, Sarpi had forecast that if Galileo went to Rome, the Jesuits and others were likely to "turn … the question of physics and astronomy into a theological question," so as to condemn Galileo as "an excommunicated heretic" and force him to "recant all his views on this subject." Sarpi in 1616 seemed to know very well what would happen more than 15 years later, well after his own death. It is evident that the scenario sketched here corresponded to Sarpi's own long-term plan. For Galileo, the trial was one of the greatest public relations successes of all time. The gesture of repression against Galileo carried out by the Dominicans of Santa Maria Sopra Minerva in Rome established the equation Galileo=modern experimental science struggling against benighted obscurantism. That equation has stood ever since, and this tragic misunderstanding has had terrible consequences for human thought. Lost in the brouhaha about Galileo is the more relevant fact that Kepler had been condemned by the Inquisition more than a decade before.

Sarpi's philosophical and scientific writings were not published until after World War II. These are the Pensieri, or Thoughts, and the Arte di Ben Pensare, the Art of Thinking Well. Sarpi's achievement for Venetian intelligence was to abstract the method of Aristotle from the mass of opinions expressed by Aristotle on this or that particular issue. In this way, sense certainty could be kept as the basis of scientific experiments, and Aristotle's embarrassingly outdated views on certain natural phenomena could be jettisoned. This allowed the Venetians to preserve the essential Aristotle, while attacking exponents of the Aristotelian or Peripatetic school, such as the Jesuits of the Collegio Romano. These writings by Sarpi have not been translated, but they are the basis of everything written by Sir Francis Bacon. The Bacon-Hobbes menage was in close contact with Sarpi and Micanzio. Sarpi can also be found in Locke, who took almost 1,000 pages to write what Sarpi had put down in 30.

In the Art of Thinking Well, Sarpi starts from sense perception and sense certainty. He suggests that an impression made on our sensory apparatus by outside objects has to be distinguished from those objects. Especially he points to tastes, odors, and sounds, which he thinks are a matter of our nervous system, not of outside reality. In a different category are ideas of quantity, size, and time, which are objective. In the same manuscript, Sarpi lists the immortality of the soul as one on a list of wrong ideas. Sarpi repeats the argument of Pomponazzi that since there is no knowledge without sensation, the soul dies with the body. Again, the trademark of the Venetian dead souls faction.

Galileo's epistemology comes straight from Sarpi. We can see this in Galileo's 1623 essay Il Saggiatore, The Assayer. For Galileo, colors, tastes, sounds, smells, are mere words. They exist only for our bodies. Galileo makes the famous comparison of these to tickling. If you brush a feather over the soles of the feet or the armpits of a marble statue, you will not produce a tickle. But if you do this to a human being, you will cause that tickling sensation. So, Galileo says, it is time to get rid of ears, tongues, and noses, and go for shapes, numbers, and motions, and never odors, tastes, and sounds. From this he proceeds quickly to a reductionist theory of atoms, in which heat is explained as the effect a "fiery minims" of igneous atoms. Galileo's epistemology is identical with that of Sarpi. This is what Galileo means when he denies Aristotle to say that the truth is written in the book of nature, and written in mathematical characters. Galileo was a reductionist.

Sarpi died in 1623, and Galileo's case officer became the Servite monk Fulgenzio Micanzio. After Galileo had been condemned, Micanzio reminded Galileo of the assignment he had received from Sarpi 20 years earlier: to write a treatise on motion. And by the way, added Micanzio, I have 258 pounds here for you. Later, Micanzio would procure Galileo a pension of 60 scudi per year from the coffers of the Venetian state.

Galileo responded to Micanzio's orders with the 1638 Discourses on Two New Sciences, Mechanics and Local Motion. Because Galileo had been condemned by the Inquisition, he could not be published anywhere that papal authority was strong. Micanzio therefore arranged for Galileo's book to be printed by the Dutch Elsevir press in Leyden.

In 1634, Micanzio wrote to Galileo that he had been talking to an expert in science and philosophy – called a virtuoso in the parlance of the day – who had commented that although he did not deny Galileo's scientific ability, "the things that you bring are not new, but are already in Kepler." Indeed. Galileo wrote back that the correct answer to this virtuoso is that although Galileo and Kepler may sometimes seem to agree about certain astronomical phenomena, "my way of philosophizing is so different from his." (Nov. 19, 1634).

In letters written in 1640, Galileo threw further light on his own scientific method. Galileo complained that he had been misunderstood: "Against all the reason in the world, I am accused of impugning Peripatetic doctrine, whereas I profess and am certain of observing more religiously the Peripatetic – or, to put it better, Aristotelian – teachings than many others…." (Aug. 24, 1640). Galileo asserted that he had tried to study phenomena: "that in all natural effects assure me of their existence, their "an sit" [if it be], whereas I gain nothing from their how, their "quomodo." (June 23, 1640). Some might try to dismiss these admissions as a distortion of Galileo's outlook caused by the crackdown of which he was still a victim, but I would submit that this is the real Galileo talking. What Galileo is trying to express here is the same thing Isaac Newton meant with his infamous "hypotheses non fingo" [I do not fabricate hypotheses]. Which brings us to Newton.

NEWTON: A CULTIST KOOK

The next phase of the corruption of science by Venice depends on a rather obscure Cambridge don by the name of Isaac Newton. For the oligarchy, Newton and Galileo are the only two contenders for the honor of being the most influential thinker of their faction since Aristotle himself. The British oligarchy praises Newton as the founder of modern science. But, at the same time, they have been unable to keep secret the fact that Newton was a raving irrationalist, a cultist kook. Among the oligarchs, it was the British economist Lord John Maynard Keynes and a fellow Cambridge graduate who began to open the black box of Newton's real character. Was Newton the first and greatest of the modern scientists, the practitioner of cold and untinctured reason? No, said Keynes, Newton was not the first of the Age of Reason. He was the last of the magicians, the last of the Babylonians and Sumerians, the last wonderful child to whom the Magi could do sincere and appropriate homage. Keynes based his view on the contents of a box. What was in the box? The box contained papers which Newton had packed up when he left Cambridge for London in 1696, ending his Cambridge career and beginning his new life in London as member and president of the British Royal Society, director of the mint, resident magus of the new British Empire.

Inside the box were manuscripts and papers totaling some 1.2 million words. After Newton's death, Bishop Horsley was asked to inspect the box, with a view to publication, but when he saw the contents, he recoiled in horror and slammed the lid. A century passed. Newton's nineteenth-century biographer, Sir David Brewster, looked into the box. He decided to save Newton's reputation by printing a few selections, but he falsified the rest with straight fibbing, as Keynes says. The box became known as the Portsmouth Papers. A few mathematical papers were given to Cambridge in 1888. In 1936, the current owner, Lord Lymington, needed money, so he had the rest auctioned off. Keynes bought as many as he could, but other papers were scattered from Jerusalem to America.

As Keynes points out, Newton was a suspicious, paranoid, unstable personality. In 1692, Newton had a nervous breakdown and never regained his former consistency of mind. Pepys and Locke thought that he had become deranged. Newton emerged from his breakdown slightly "gaga." As Keynes stresses, Newton "was wholly aloof from women," although he had some close young male friends. He once angrily accused John Locke of trying to embroil him with women.

In the past decades, the lid of the box has been partially and grudgingly opened by the Anglophile scholars who are the keepers of the Newton myth. What can we see inside the box?

First, Newton was a supporter of the Arian heresy. He denied and attacked the Holy Trinity, and therefore also the Filioque and the concept of Imago Viva Dei. Keynes thought that Newton was "a Judaic monotheist of the school of Maimonides," which suggests that he was a Cabalist. For Newton, to worship Christ as God was idolatry and a mortal sin. Even in the Church of England, Newton had to keep these views secret or face ostracism.

ALCHEMY AND GREEN LIONS

Newton's real interest was not mathematics or astronomy. It was alchemy. His laboratory at Trinity College, Cambridge was fitted out for alchemy. Here, his friends said, the fires never went out during six weeks of the spring and six weeks of the autumn. And what is alchemy? What kind of research was Newton doing? His sources were books like the "Theatrum Chemicum Britannicum" of Elias Ashmole, the Rosicrucian leader of British speculative Freemasonry. Newton owned all six heavy quarto volumes of Ashmole.

The goal of the alchemists was the quest for the mythical philosopher's stone, which would permit the alchemist to transmute lead and other base metals into gold. The alchemists hoped the philosopher's stone would give them other magical powers, such as rejuvenation and eternal youth.

Alchemy also involved the relations between the astrological influences of the planets and the behavior of chemicals. One treatise that dealt with these issues was the "Metamorphosis of the Planets." Since the planet Jupiter had precedence among the planets, it also occupied a privileged position among the reagents of alchemy. Newton expressed this with a picture he drew of Jupiter Enthroned on the obverse of the title page of this book.

What were Newton's findings? Let him speak for himself: "Concerning Magnesia of the green Lion. It is called Prometheus & the Chameleon. Also Androgyne, and virgin verdant earth in which the Sun has never cast its rays although he is its father and the moon its mother. Also common mercury, dew of heaven which makes the earth fertile, nitre of the wise. Instructio de arbore solari. It is the Saturnine stone." This would appear to have been written in the 1670s. A sample from the 1690s: "Now this green earth is the Green Ladies of B. Valentine the beautifully green Venus and the green Venereal emerald and green earth of Snyders with which he fed his lunary Mercury and by virtue of which Diana was to bring forth children and out of which saith Ripley the blood of the green Lyon is drawn in the beginning of the work."

During the 1680s Newton also composed a series of aphorisms of alchemy, the sixth of which reads as follows: "The young new born king is nourished in a bigger heat with milk drawn by destellation from the putrefied matter of the second work. With this milk he must be imbibed seven times to putrefy him sufficiently and then dococted to the white and red, and in passing to the red he must be imbibed with a little red oil to fortify the solary nature and make the red stone more fluxible. And this may be called the third work. The first goes on no further than to putrefaction, the second goes to the white and the third to the red." (Westfall, pp. 292, 293, 358).

And so it goes for more than a million words, with Green Lions, Androgynes, male and female principles, Pan and Osiris. Truly it has been said that Newton had probed the literature of alchemy as it had never been probed before or since, all during the time he was supposedly writing his Principia Mathematica. In addition, he drew up plans for King Solomon's Temple, and later a chronology of Biblical events which foreshortened that history by cutting out several hundred years.

NEWTON'S "DISCOVERIES"

And what about Newton's supposed discoveries? Upon closer scrutiny, it turns out that he had no discoveries. Take, for example, Newton's alleged law of universal gravitation, which states that the force of attraction of two point masses is equal to the product of the two masses divided by the square of the distance between them, times a constant. This is Newton's so-called inverse square law. It has long been known that this was not really a new discovery, but rather derived by some tinkering from Kepler's Third Law. Kepler had established that the cube of a planet's distance from the Sun divided by the square of its year always equaled a constant. By supplementing this with Huygens's formula for centrifugal acceleration and making some substitutions, you can obtain the inverse square relationship. This issue is settled in the appendices to The Science of Christian Economy [by Lyndon LaRouche, Washington, D.C.: Schiller Institute, 1991]. But the partisans of Newton still claim that Newton explained gravity.

By opening the lid of the box, we find that Newton himself confesses, in an unpublished note, that his great achievement was cribbed from Kepler. Newton wrote: "…I began to think of gravity extending to the Orb of the Moon and (having found out how to estimate the force with which a globe revolving presses the surface of a sphere) from Kepler's rule of the periodical times of the Planets being in sesquialterate proportion of their distances from the center of their Orbs, I deduced that the forces which keep the Planets in their Orbs must be reciprocally as the squares of their distances from the centers about which they revolve…." (Westfall, 143). Newton "arrived at the inverse square relation by substituting Kepler's Third Law into Huygens's recently published formula for centrifugal force" (Westfall, 402). Hooke and Sir Christopher Wren claimed to have done the same thing at about the same time.

Newton's love of alchemy and magic surfaces as the basis of his outlook, including in his supposed scientific writings. In his "Opticks," he asks, "Have not the small particles of bodies certain powers, virtues, or forces, by which they act at a distance…. How those attractions may be performed, I do not here consider. What I call attraction may be performed by Impulse, or some other means unknown to me." This is Newton's notion of gravity as action at a distance, which Leibniz rightly mocked as black magic. Newton's system was unable to describe anything beyond the interaction of two bodies, and supposed an entropic universe that would have wound down like clockwork if not periodically re-wound. Newton also wrote of an electric spirit, and of a mysterious medium he called the ether. What the basis of these is in alchemy is not clear.

Then there is the story of Newton's invention of the calculus. In reality, Newton never in his entire life described a calculus. He never had one. What he cooked up was a theory of so-called fluxions and infinite series. This was not a calculus and quickly sank into oblivion when it was published nine years after Newton's

death. By 1710, European scientists had been working with Leibniz's calculus for several decades. It was about that time that Newton and the British Royal Society launched their campaign to claim that Newton had actually invented the calculus in 1671, although for some strange reason he had never said anything about it in public print during a period of 30 years. This was supplemented by a second allegation, that Leibniz was a plagiarist who had copied his calculus from Newton after some conversations and letters exchanged between the two during the 1670s. These slanders against Leibniz were written up by Newton and put forward in 1715 as the official verdict of the British Royal Society. The same line was churned out by scurrilous hack writers directed by Newton. But scientists in continental Europe, and especially the decisive French Academy of Sciences, were not at all convinced by Newton's case. Newton's reputation on the continent was at best modest, and certainly not exalted. There was resistance against Newton in England, with a hard core of 20-25% of anti-Newton feeling within the Royal Society itself. How then did the current myth of Newton the scientist originate?

NEWTON: THE APOTHEOSIS OF A CHARLATAN

The apotheosis of Newton was arranged by Antonio Conti of Venice, the center of our third grouping of the dead souls faction. In order to create the myth of Newton as the great modern scientist, Conti was obliged to do what might well have been considered impossible at the time: to create a pro-British party in France. Conti succeeded, and stands as the founder of the Enlightenment, otherwise understood as the network of French Anglophiles. Those Frenchmen who were degraded enough to become Anglophiles would also be degraded enough to become Newtonians, and vice versa. The British had no network in Paris that could make this happen, but the Venetians did, thanks most recently to the work of such figures as Montaigne and Pierre Bayle. What the British could never have done, the Venetians accomplished for the greater glory of the Anglo- Venetian Party.

Born in Padua in 1677, Conti was a patrician, a member of the Venetian nobility. He was a defrocked priest who had joined the Oratorian order, but then left it to pursue literary and scientific interests, including Galileo and Descartes. Conti was still an abbot. In 1713, Conti arrived in Paris. This was at the time of the Peace of Utrecht, the end of the long and very bitter War of the Spanish Succession, in which the British, the Dutch, and their allies had invaded, defeated, and weakened the France of Jean-Baptiste Colbert. Louis XIV had only two more years to live, after which the throne would go to a regent of the House of Orleans.

In Paris, Conti built up a network centering on the philosopher Nicholas de Malebranche. He also worked closely with Bernard Le Bovier de Fontenelle, the permanent secretary of the French Academy of Sciences, still the premier research center in Europe. Conti saw immediately that Fontenelle was a follower of Giordano Bruno of the Ridotto Morosini. Conti become a celebrity in Paris, but he soon announced that he was growing tired to Descartes, the dominant figure on the French intellectual scene. Conti began telling the Paris salons that he was turning more and more to Newton and Leibniz. He began to call attention to the polemic between Newton and Leibniz. What a shame that these two eminent scientists were fighting each other! Perhaps these two outlooks could be reconciled. That would take a tactful mediator, an experienced man of the world. Since the English and the German scientists were at war, who better than an Italian, a Venetian, to come forward as mediator? Perhaps such a subtle Venetian could find a way to settle this nasty dispute about the calculus and propose a compromise platform for physics.

A solar eclipse was in the offing, and Conti organized a group of French astronomers to go to London and observe it - probably the London fog would be helpful. With Conti's help these Frenchmen would be turned, made members of the Royal Society, and when they got back to France, they would become the first French Anglophiles of the eighteenth century French Enlightenment. Before leaving Paris, Conti, with classical Venetian duplicity, wrote a very friendly letter to Leibniz, introducing himself as a supporter of Leibniz's philosophy. Conti claimed that he was going to London as a supporter of Leibniz, who would defend his cause in London just as he had done in Paris. By 1715, Leibniz's political perspectives were very grim, since his patroness, Sophie of Hanover, had died in May 1714. Leibniz was not going to become prime minister of England, because the new British king was Georg Ludwig of Hanover, King George I.

When Conti got to London, he began to act as a diabolical agent provocateur. Turning on his magnetism, he charmed Newton. Newton was impressed by his guest and began to let his hair down. Conti told Newton that he had been trained as a Cartesian. "I was myself, when young, a Cartesian," said the sage wistfully, and then added that Cartesian philosophy was nothing but a "tissue of hypotheses," and of course Newton would never tolerate hypotheses. Newton confessed that he had understood nothing of his first astronomy book, after which he tried a trigonometry book with equal failure. But he could understand Descartes very well. With the ground thus prepared, Conti was soon a regular dinner guest at Newton's house. He seems to have dined with Newton on the average three evenings per week. Conti also had extensive contacts with Edmond Halley, with Newton's anti-Trinitarian parish priest Samuel Clarke, and other self-styled scientists. Conti also became friendly with Princess Caroline, the Princess of Wales, who had been an ally of Leibniz. Conti became very popular at the British court, and by November 1715 he was inducted by Newton as a member of the Royal Society.

Conti understood that Newton, kook that he was, represented the ideal cult figure for a new obscurantist concoction of deductive-inductive pseudo mathematical formalism masquerading as science. Thanks to the Venetians, Italy had Galileo, and France had Descartes. Conti might have considered concocting a pseudo scientific ideology for the English based on Descartes, but that clearly would not do, since Venice desired to use England above all as a tool to tear down France with endless wars. Venice needed an English Galileo, and Conti provided the intrigue and the public relations needed to produce one, in a way not so different from Paolo Sarpi a century before.

THE LEIBNIZ-NEWTON CONTEST

Conti received a letter from Leibniz repeating that Newton had never mastered the calculus, and attacking Newton for his occult notion of gravitation, his insistence on the existence of atoms and the void, his inductive method. Whenever Conti got a letter from Leibniz, he would show it to Newton, to stoke the fires of Newton's obsessive rage to destroy Leibniz. During this time, Newton's friend Samuel Clarke began an exchange of letters with Leibniz about these and related issues. (Voltaire later remarked of Clarke that he would have made an ideal Archbishop of Canterbury if only he had been a Christian.) Leibniz wrote that natural religion itself was decaying in England, where many believe human souls to be material, and others view God as a corporeal being. Newton said that space is an organ, which God uses to perceive things. Newton and his followers also had a very odd opinion concerning the work of God. According to their doctrine, "God Almighty wants to wind up his watch from time to time; otherwise, it would cease to move. He had not, it seems, sufficient foresight to make it a perpetual motion." This gave rise to the Leibniz-Clarke correspondence, in which we can also see the hand of Conti. By now, the chameleon Conti was a total partisan of Newton's line of atoms and the void, the axioms of Newtonian absolute space. "If there were no void," wrote Conti, "all bodies would be equally heavy and the comets could not pass through heavenly spaces…. M. Leibniz has written his speech to Princess [Caroline], and he presents the world not as it is, but as it could be." (Badaloni, Antonio Conti, 63).

Newton tried to get the ambassadors of the London diplomatic corps to review his old manuscripts and letters, hoping they would endorse the finding of the Royal Society that Leibniz had plagiarized his calculus. Leibniz had pointed out that the Royal Society had stacked the evidence. Conti used this matter to turn George I more and more against Leibniz. Conti organized the Baron von Kilmansegge, the Hanoverian minister and husband of George I's mistress, to take the position that the review of documents would not be enough; the only way to decide the Leibniz-Newton controversy was through a direct exchange of letters between the two. King George agreed with this. Conti encouraged Newton to make a full reply to Leibniz, so that both letters could be shown to the king. When he heard Newton's version, the king indicated that Newton's facts would be hard for Leibniz to answer.

Conti tried to convince Leibniz to accept the 1715 verdict of the Royal Society which had given credit for the calculus to Newton. In return, to sweeten this galling proposal, Conti generously conceded that Leibniz's calculus was easier to use and more widely accepted. By now Leibniz was well aware that he was dealing with an enemy operative, but Leibniz died on Nov. 4, 1716, a few days before Conti arrived in Hanover to meet him. Newton received word of the death of his great antagonist through a letter from Conti.

CONTI'S DEPLOYMENT TO FRANCE

Thanks to Conti's intervention as agent provocateur, Newton had received immense publicity and had become a kind of succes de scandale. The direct exchange mandated by George I suggested to some an equivalence of Leibniz and Newton. But now Conti's most important work was just beginning. Leibniz was still held in high regard in all of continental Europe, and the power of France was still immense. Conti and the Venetians wished to destroy both. In the Leibniz-Newton contest, Conti had observed that while the English sided with Newton and the Germans with Leibniz, the French, Italians, Dutch, and other continentals wavered, but still had great sympathy for Leibniz. These powers would be the decisive swing factors in the epistemological war. In particular, the attitude which prevailed in France, the greatest European power, would be decisive. Conti now sought to deliver above all France, plus Italy, into the Newtonian camp.

Conti was in London between 1715 and 1718. His mission to France lasted from 1718 through 1726. Its result will be called the French Enlightenment, L'Age des Lumieres. The first components activated by Conti for the new Newtonian party in France were the school and followers of Malebranche, who died in 1715. The Malebranchistes first accepted Newton's Opticks, and claimed to have duplicated Newton's experiments, something no Frenchman had done until this time. Here Conti was mobilizing the Malebranche network he had assembled before going to London. Conti used his friendship with Fontenelle, the secretary of the French Academy of Sciences, to secure his benevolent neutrality regarding Newton. Conti's other friends included Mairan, Reaumur, Freret, and Desmolets.

During the late teens and '20s in Paris, an important salon met at the Hotel de Rohan, the residence of one of the greatest families of the French nobility. This family was aligned with Venice; later, we will find the Cardinal-Prince de Rohan as the sponsor of the Venetian agent Count Cagliostro. The librarian at the Hotel de Rohan was a certain Abbe Oliva. Oliva presided over a Venetian-style conversazione attended by Conti, his Parisian friends, and numerous Italians. This was already a circle of freethinkers and libertines.

In retrospect, the best known of the participants was Charles-Louis de Secondat, Baron de la Brede et de Montesquieu. Montesquieu, before Voltaire, Rousseau, and the Encyclopedia, was the first important figure of the French Enlightenment – more respectable than Voltaire and Rousseau – and the leading theoretician of political institutions. Conti met Montesquieu at the Hotel de Rohan, and at another salon, the Club de l'Entresol. Later, when Conti had returned to Venice, Montesquieu came to visit him there, staying a month. Montesquieu was an agent for Conti.

Montesquieu's major work is The Spirit of the Laws, published in 1748. This is a work of decidedly Venetian flavor, with republic, monarchy, and despotism as the three forms of government, and a separation of powers doctrine. Montesquieu appears to have taken many of his ideas from Conti, who wrote a profile of France called "Historical and Political Discourse on the State of France between 1700 and 1730." In his treatise, Montesquieu points out that France has an independent judiciary, the parlements, which became a main focus for Anglo-Venetian destabilization efforts going toward the French Revolution.

Montesquieu raises the theme of Anglophilia, praising Britain's allegedly constitutional monarchy as the ideal form. With this, the pro-British bent of Conti's Enlightenment philosophes is established. The ground is being prepared for Newton.

ANOTHER CONTI AGENT: VOLTAIRE

One of Conti's other friends from the Hotel de Rohan was a Jesuit called Tournemine, who was also a high school teacher. One of his most incorrigible pupils had been a libertine jailbird named Francois-Marie Arouet, who was so stubborn and headstrong that his parents had always called him "le volontaire," meaning self-willed. Gradually this was shortened to Voltaire.

French literary historians are instinctively not friendly to the idea that the most famous Frenchman was a Venetian agent working for Conti, but the proof is convincing. Voltaire knew both Conti personally and Conti's works. Conti is referred to a number of times in Voltaire's letters. In one letter, Voltaire admiringly shares an anecdote about Conti and Newton. Voltaire asks, should we try to find the proof of the existence of God in an algebraic formula on one of the most obscure points in dynamics? He cites Conti in a similar situation with Newton: "You're about to get angry with me," says Conti to Newton, "but I don't care." I agree with Conti, says Voltaire, that all geometry can give us are about forty useful theorems. Beyond that, it's nothing more than a fascinating subject, provided you don't let metaphysics creep in.

Voltaire also relates Conti's version of the alleged Spanish conspiracy against Venice in 1618, which was supposedly masterminded by the Spanish ambassador to Venice, Count Bedmar. Conti's collected works and one of his tragedies are in Voltaire's library, preserved at the Hermitage in St. Petersburg.

The book which made Voltaire famous was his Philosophical Letters, sometimes called the English letters, because they are devoted to the exaltation of all things British, which Voltaire had observed during his three years in London. In the essay on Shakespeare, Voltaire writes that Shakespeare is considered the Corneille of England. This is a quote from Conti, taken from the head note to Conti's tragedy Giulio Cesare, which had been published in Paris in 1726. Voltaire's view of Shakespeare as sometimes inspired, but barbarous and "crazy" for not respecting French theatrical conventions, is close to Conti's own practice. We can thus associate Conti with Voltaire's first important breakthrough, and the point where Anglophilia becomes Anglomania in France.

But most important, Voltaire's Philosophical Letters center on the praise of Newton. After chapters on Francis Bacon and John Locke, there are four chapters on Newton, the guts of the work. For Voltaire, Newton was the first discoverer of the calculus, the dismantler of the entire Cartesian system. His "sublime ideas" and discoveries have given him "the most universal reputation." Voltaire also translated Newton directly, and published Elements of Newtonian Philosophy.

The Philosophical Letters were condemned and Voltaire had to hide in the libertine underground for a time. He began to work on another book, The Century of Louis XIV. The idea here was simple: to exalt Louis XIV as a means of attacking the current king, Louis XV, by comparison. This was an idea that we can also find in Conti's manuscripts. Louis XV was, of course, a main target of the Anglo-Venetians.

In 1759, Voltaire published his short novel Candide, a distillation of Venetian cultural pessimism expressed as a raving attack on Leibniz, through the vicious caricature Dr. Pangloss. Toward the end of the story, Candide asks Pangloss: "Tell me, my dear Pangloss, when you were hanged, dissected, cruelly beaten, and forced to row in a galley, did you still think that everything was for the best in this world?" "I still hold my original opinions, replied Pangloss, because after all, I'm a philosopher, and it wouldn't be proper for me to recant, since Leibniz cannot be wrong, and since pre-established harmony is the most beautiful thing in the world, along with the plenum and subtle matter." When Candide visits Venice, he meets Senator Pococurante, whom he considers a great genius because everything bores him and nothing pleases him. Senator Pococurante is clearly a figure of Abbot Antonio Conti. Conti was, we must remember, the man whom Voltaire quoted admiringly in his letter cited above telling Newton that he didn't care – non me ne curo, perhaps, in Italian. Among Conti's masks was certainly that of worldly boredom.

Conti later translated one of Voltaire's plays, Merope, into Italian.

CONTI AND THE FRENCH REVOLUTION

Conti's discussion of the supremacy of the sense of touch when it comes to sense certainty is echoed in the writing of the philosopher Condillac. Echoes of Conti have been found by some in Diderot's Jacques the Fatalist. And then there is Buffon, who published Newton's book on fluxions in French. More research is likely to demonstrate that most of the ideas of the French Enlightenment come from the Venetian Conti. The creation of a pro- Newton, anti-Leibniz party of French Anglomaniacs was a decisive contribution to the defeat of France in the mid-century world war we call the War of the Austrian Succession and the Seven Years' War, which gave Britain world naval supremacy, and world domination. Conti's work was also the basis for the later unleashing of the French Revolution. In the epistemological war, the French Newtonians were indispensable for the worldwide consolidation of the Newton myth. In Italy, there were Venetian writers like Voltaire's friend Algarotti, the author of a book of Newtonian Philosophy for Ladies. Newton's ideas were also spread by Abbot Guido Grandi, who labored to rehabilitate Galileo inside the Catholic Church. Another Italian intellectual in Conti's orbit was Gimbattista Vico, later popularized by Benedetto Croce. The main point is that only with the help of Venice could the senile cultist kook Newton attain

worldwide respect.
Conti was active until mid-century; he died in 1749. In Venice he became the central figure of a salon that was the worthy heir of Ridotto Morosini. This was the sinister coven that called itself the philosophical happy conversazione ("la conversazione filosofica e felice") that gathered patrician families like the Emo, the Nani, the Querini, the Memmo, and the Giustinian. These were libertines, freethinkers, Satanists. We are moving toward the world portrayed in Schiller's Geisterseher. After Conti's death, the dominant figure was Andrea Memmo, one of the leaders of European Freemasonry.
An agent shared by Memmo with the Morosini family was one Giacomo Casanova, a homosexual who was backed up by a network of lesbians. Venetian oligarchs turned to homosexuality because of their obsession with keeping the family fortune intact by guaranteeing that there would only be one heir to inherit it; by this time more than two- thirds of male nobles, and an even higher percentage of female nobles, never married. Here we have the roots of Henry Kissinger's modern Homintern. Casanova's main task was to target the French King Louis XV through his sexual appetites. There is good reason to believe that Louis XV's foreign minister De Bernis, who carried out the diplomatic revolution of 1756, was an agent of Casanova. One may speculate that Casanova's networks had something to do with the approximately 25 assassination plots against Louis XV. Finally, Louis XV banned Casanova from France with a lettre de cachet.
Another agent of this group was Count Cagliostro, a charlatan and mountebank whose targets were Louis XVI and Marie Antoinette, whom he destabilized through their own folly in the celebrated Queen's Necklace Affair of 1785. Cagliostro was able to make Louis and especially Marie Antoinette personally hated, a necessary precondition for mass insurrection against them. Emperor Napoleon later said that this operation by Cagliostro had marked the opening phase of the French Revolution of 1789.

CONTI'S LEGACY OF EVIL

Another member of the Conti-Memmo conversazione was Giammaria Ortes, who had been taught Newton by Conti personally, as well as by Grandi. Ortes was another defrocked cleric operating as an abbot. Ortes is the author of a manual of Newtonian physics for young aristocrats, including a chapter on electricity which manages to avoid Benjamin Franklin, in the same way that Galileo avoided Kepler. Ortes carried out Conti's program of applying Newtonian methods to the social sciences. This meant that everything had to be expressed in numbers. Ortes was like the constipated mathematician who worked his problem out with a pencil. He produced a calculus on the value of opinions, a calculus of the pleasures and pains of human life, a calculus of the truth of history. This is the model for Jeremy Bentham's felicific or hedonistic calculus and other writings. Using these methods, Ortes posited an absolute upper limit for the human population of the Earth, which he set at 3 billion. This is the first appearance of carrying capacity. Ortes was adamant that there had never been and could never be an improvement in the living standard of the Earth's human population. He argued that government intervention, as supported by the Cammeralist school of Colbert, Franklin, and others, could never do any good. Ortes provided all of the idea-content that is found in Thomas Malthus, Adam Smith, Jeremy Bentham, the two Mills, and the rest of Lord Shelburne's school of British philosophical radicalism in the time after 1775.
Conti has left a commentary on Plato's Parmenides, which he interprets as Plato's self- criticism for the mistake of having made ideas themselves the object of philosophical attention. In his Treatise on Ideas, Conti writes that the fundamental error of Plato is to attribute real existence to human ideas. All our ideas come from sense perceptions, says Conti.
In 1735 Conti was denounced to the Venetian Inquisition because of his reported religious ideas. Conti was accused of denying the existence of God. True to his factional pedigree, Conti also denied the immortality of the human soul. Conti reportedly said of the soul: "Since it is united with a material body and mixed up with matter, the soul perished with the body itself." Conti got off with the help of his patrician aristocrat friends. He commented that God is something that we cannot know about, and jokingly confessed his ignorance. He even compared himself to Cardinal Nicolaus of Cusa. Conti described his own atheism as merely a version of the docta ignorantia [referring to Cusa's book by the same name, On Learned Ignorance]. But this Senatore Pococurante still lives in every classroom where Newton is taught.
Surely it is time for an epistemological revolution to roll back the Venetian frauds of Galileo, Newton, and Bertrand Russell.

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Venice's War Against Western Civilization

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The British royal family of today typifies the Venetian Party, and continues the outlook and methods of an oligarchical faction which can be traced far back into the ancient world. Oligarchism is a principle of irrational domination associated with hereditary oligarchy/ nobility and with certain aristocratic priesthoods. At the center of oligarchy is the idea that certain families are born to rule as an arbitrary elite, while the vast majority of any given population is condemned to oppression, serfdom, or slavery. During most of the past 2,500 years, oligarchs have been identified by their support for the philosophical writings of Aristotle and their rejection of the epistemology of Plato. Aristotle asserted that slavery is a necessary institution, because some are born to rule and others to be ruled. He also reduced the question of human knowledge to the crudest sense certainty and perception of "facts." Aristotle's formalism is a means of killing human creativity, and therefore represents absolute evil. This evil is expressed by the bestialist view of the oligarchs that human beings are the same as animals.

Oligarchs identify wealth purely in money, and practice usury, monetarism, and looting at the expense of technological advancement and physical production. Oligarchs have always been associated with the arbitrary rejection of true scientific discovery and scientific method in favor of open anti-science or more subtle obscurantist pseudo-science. The oligarchy has believed for millennia that the earth is overpopulated; the oligarchical commentary on the Trojan War was that this conflict was necessary in order to prevent greater numbers of mankind from oppressing "Mother Earth." The oligarchy has constantly stressed race and racial characteristics, often as a means for justifying slavery. In international affairs, oligarchs recommend such methods as geopolitics, understood as the method of divide and conquer which lets one power prevail by playing its adversaries one against the other. Oligarchical policy strives to maintain a balance of power among such adversaries for its own benefit, but this attempt always fails in the long run and leads to new wars.

The essence of oligarchism is summed up in the idea of the empire, in which an elite identifying itself as a master race rules over a degraded mass of slaves or other oppressed victims. If oligarchical methods are allowed to dominate human affairs, they always create a breakdown crisis of civilization, with economic depression, war, famine, plague, and pestilence. Examples of this are the fourteenth century Black Plague crisis and the Thirty Years War (1618-48), both of which were created by Venetian intelligence. The post- industrial society and the derivatives crisis have brought about the potential for a new collapse of civilization in our own time. This crisis can only be reversed by repudiating in practice the axioms of the oligarchical mentality.

A pillar of the oligarchical system is the family fortune, or fondo as it is called in Italian. The continuity of the family fortune which earns money through usury and looting is often more important than the biological continuity across generations of the family that owns the fortune. In Venice, the largest fondo was the endowment of the Basilica of St. Mark, which was closely associated with the Venetian state treasury, and which absorbed the family fortunes of nobles who died without heirs. This fondo was administered by the procurers of St. Mark, whose position was one of the most powerful under the Venetian system. Around this central fondo were grouped the individual family fortunes of the great oligarchical families, such as the Mocenigo, the Cornaro, the Dandolo, the Contarini, the Morosini, the Zorzi, and the Tron. Until the end of the eighteenth century, the dozen or so wealthiest Venetian families had holdings comparable or superior to the very wealthiest families anywhere in Europe. When the Venetian oligarchy transferred many of its families and assets to northern Europe, the Venetian fondi provided the nucleus of the great Bank of Amsterdam, which dominated Europe during the seventeenth century, and of the Bank of England, which became the leading bank of the eighteenth century.

ORIGINS OF THE VENETIAN PARTY IN THE ANCIENT WORLD

In the pre-Christian world around the Mediterranean, oligarchical political forces included Babylon in Mesopotamia. The "whore of Babylon" condemned in the Apocalypse of St. John the Divine is not a mystical construct, but a very specific power cartel of evil oligarchical families. Other oligarchical centers included Hiram of Tyre and the Phoenicians. The Persian Empire was an oligarchy. In the Greek world, the center of oligarchical banking and intelligence was the Temple of Apollo at Delphi, whose agents included Lycurgus of Sparta and later Aristotle. The Delphic Apollo tried and failed to secure the conquest of Greece by the Persian Empire. Then the Delphic Apollo developed the Isocrates plan, which called for King Philip of Macedonia to conquer Athens and the other great city-states so as to set up an oligarchical empire that would operate as a western version of the Persian Empire. This plan failed when Philip died, and the Platonic Academy of Athens decisively influenced Alexander the Great, who finally destroyed the Persian Empire before being assassinated by Aristotle. Later, the Delphic Apollo intervened into the wars between Rome and the Etruscan cities to make Rome the key power of Italy and then of the entire Mediterranean.

Rome dominated the Mediterranean by about 200 BC. There followed a series of civil wars that aimed at deciding where the capital of the new empire would be and who would be the ruling family. These are associated with the Social War, the conflict between Marius and Sulla, the first Triumvirate (Julius Caesar, Pompey the Great, and L. Crassus), and the second Triumvirate (Octavian, Marc Antony, and Lepidus). Marc Antony and Cleopatra wanted the capital of the new empire to be at Alexandria in Egypt. Octavian (Augustus) secured an alliance with the cult of Sol Invictus Mithra and became emperor, defeating the other contenders. After the series of monsters called the Julian-Claudian emperors (Tiberius, Caligula, Nero, etc.) the empire stagnated between 80 and 180 AD under such figures as Hadrian and Trajan. Then, between 180 and 280 AD, the empire collapsed. It was reorganized by Aurelian, Diocletian, and Constantine with a series of measures that centered on banning any change in the technology of the means of production, and very heavy taxation. The Diocletian program led to the depopulation of the cities, serfdom for farmers, and the collapse of civilization into a prolonged Dark Age.

The Roman Empire in the West finally collapsed in 476 AD. But the Roman Empire in the East, sometimes called the Byzantine Empire, continued for almost a thousand years, until 1453. And if the Ottoman Empire is considered as the Ottoman dynasty of an ongoing Byzantine Empire, then the Byzantine Empire kept going until shortly after World War I. With certain exceptions, the ruling dynasties of Byzantium continued the oligarchical policy of Diocletian and Constantine.

Venice, the city built on islands in the lagoons and marshes of the northern Adriatic Sea, is supposed to have been founded by refugees from the Italian mainland who were fleeing from Attila the Hun in 452 AD. Early on, Venice became the location of a Benedictine monastery on the island of St. George Major. St. George is not a Christian saint, but rather a disguise for Apollo, Perseus, and Marduk, idols of the oligarchy. Around 700 AD, the Venetians claim to have elected their first doge, or duke. This post was not hereditary, but was controlled by an election in which only the nobility could take part. For this reason, Venice erroneously called itself a republic.

In the years around 800 AD, Charlemagne, King of the Franks, using the ideas of St. Augustine, attempted to revive civilization from the Dark Ages. Venice was the enemy of Charlemagne. Charlemagne's son, King Pepin of Italy, tried unsuccessfully to conquer the Venetian lagoon. Charlemagne was forced to recognize Venice as a part of the eastern or Byzantine Empire, under the protection of the Emperor Nicephorus. Venice was never a part of western civilization.

Over the next four centuries, Venice developed as a second capital of the Byzantine Empire through marriage alliances with certain Byzantine dynasties and conflicts with the Holy Roman Empire based in Germany. The Venetian economy grew through usury and slavery. By 1082, the Venetians had tax-free trading rights in the entire Byzantine Empire. The Venetians were one of the main factors behind the Crusades against the Muslim power in the eastern Mediterranean. In the Fourth Crusade of 1202 AD, the Venetians used an army of French feudal knights to capture and loot Constantinople, the Orthodox Christian city which was the capital of the Byzantine Empire. The Venetian doge Enrico Dandolo was declared the lord of one-quarter and one-half of one-quarter of the Byzantine Empire, and the Venetians imposed a short-lived puppet state called the Latin Empire. By this point, Venice had replaced Byzantium as the bearer of the oligarchical heritage of the Roman Empire.

During the 1200's, the Venetians, now at the apex of their military and naval power, set out to create a new Roman Empire with its center at Venice. They expanded into the Greek islands, the Black Sea, and the Italian mainland. They helped to defeat the Hohenstaufen rulers of Germany and Italy. Venetian intelligence assisted Genghis Khan as he attacked and wiped out powers that had resisted Venice. The Venetians caused the death of the poet and political figure Dante Alighieri, who developed the concept of the modern sovereign nation-state in opposition to the Venetian plans for empire. A series of wars with Genoa led later to the de facto merger of Venice and Genoa. The Venetian bankers, often called Lombards, began to loot many parts of Europe with usurious loans. Henry III of England in the years after 1255 became insolvent after taking huge Lombard loans to finance foreign wars at 120-180 percent interest. These transactions created the basis for the Venetian Party in England. When the Lombard bankers went bankrupt because the English failed to pay, a breakdown crisis of the European economy ensued. This led to a new collapse of European civilization, including the onset of the Black Plague, which depopulated the continent. In the midst of the chaos, the Venetians encouraged their ally Edward III of England to wage war against France in the conflict that became the Hundred Years War (1339-1453), which hurled France into chaos before St. Joan of Arc defeated the English. This was then followed by the Wars of the Roses in England. As a result of Venetian domination, the fourteenth century had become a catastrophe for civilization.

In the midst of the crisis of the 1300's, the friends of Dante and Petrarch laid the basis for the Italian Golden Renaissance, which reached its culmination with Nicolaus of Cusanus, Pope Pius II, and the Medici- sponsored Council of Florence of 1439. The Venetians fought the Renaissance with a policy of expansion on the Italian mainland, or terra firma, which brought them to the outskirts of Milan. More fundamentally, the Venetians promoted the pagan philosophy of Aristotle against the Christian Platonism of the Florentines. The school of the Rialto was an Aristotelian academy where Venetian patricians lectured and studied their favorite philosopher. Authors like Barbaro and Bembo popularized an Aristotelian "humanism." The University of Padua became the great European center for Aristotelian studies.

Venice also encouraged the Ottoman Turks to advance against Constantinople, which was now controlled by the Paleologue dynasty of emperors. When Cusanus and his friends succeeded in reuniting the Roman Catholic Church and the Orthodox and other eastern churches at the Council of Florence, the Venetians tried to sabotage this result. The ultimate sabotage was the Ottoman conquest of Constantinople in 1453, which was assisted by Venetian agents and provocateurs. Venice refused to respond to Pope Pius II (Aeneas Silvius Piccolomini) when he called for the recovery of Constantinople.

The program of Cusanus, Pius II, Machiavelli, Leonardo da Vinci, and other Italian Renaissance leaders for the creation of powerful national states proved impossible to carry out in Italy. The first nation-state was created in France by King Louis XI during the 1460's and 1470's. The successful nation-building methods of Louis XI compelled attention and imitation in England and Spain. Despite their incessant intrigues, the Venetians were now confronted with large national states whose military power greatly exceeded anything that Venice could mobilize.

THE CRISIS OF THE WAR OF THE LEAGUE OF CAMBRAI, 1508-1529

The Venetians tried to use the power of the new nation-states, especially France, to crush Milan and allow further Venetian expansion. But ambassadors for the king of France and the Austrian emperor met at Cambrai in December 1508 and agreed to create a European league for the dismemberment of Venice. The League of Cambrai soon included France, Spain, Germany, the Papacy, Milan, Florence, Savoy, Mantua, Ferrara, and others. At the battle of Agnadello in April 1509, the Venetian mercenaries were defeated by the French, and Venice temporarily lost eight hundred years of land conquests.

Venetian diplomacy played on the greed of the Genoese Pope Julius II Della Rovere, who was bribed to break up the League of Cambrai. By rapid diplomatic maneuvers, Venice managed to survive, although foreign armies threatened to overrun the lagoons on several occasions, and the city was nearly bankrupt. Venice's long-term outlook was very grim, especially because the Portuguese had opened a route to Asia around the Cape of Good Hope. The Venetians considered building a Suez canal, but decided against it.

REFORMATION AND COUNTER-REFORMATION

One result of the Cambrai crisis was the decision of Venetian intelligence to create the Protestant Reformation. The goal was to divide Europe for one to two centuries in religious wars that would prevent any combination like the League of Cambrai from ever again being assembled against Venice. The leading figure of the Protestant Reformation, the first Protestant in modern Europe, was Venice's Cardinal Gasparo Contarini. Contarini was a pupil of the Padua Aristotelian Pietro Pomponazzi, who denied the immortality of the human soul. Contarini pioneered the Protestant doctrine of salvation by faith alone, with no regard for good works of charity. Contarini organized a group of Italian Protestants called gli spirituali, including oligarchs like Vittoria Colonna and Giulia Gonzaga. Contarini's networks encouraged and protected Martin Luther and later John Calvin of Geneva. Contarini sent his neighbor and relative Francesco Zorzi to England to support King Henry VIII's plan to divorce Catherine of Aragon. Zorzi acted as Henry's sex counselor. As a result, Henry created the Anglican Church on a Venetian- Byzantine model, and opened a phase of hostility to Spain. Henceforth, the Venetians would use England for attacks on Spain and France. Zorzi created a Rosicrucian-Freemasonic party at the English court that later produced writers like Edmund Spenser and Sir Philip Sydney.

Contarini was also the leader of the Catholic Counter- Reformation. He sponsored St. Ignatius of Loyola and secured papal approval for the creation of the Society of Jesus as an official order of the Church. Contarini also began the process of organizing the Council of Trent with a letter on church reform that praised Aristotle while condemning Erasmus, the leading Platonist of the day. The Venetians dominated the college of cardinals and created the Index Librorum Prohibitorum, which banned works by Dante and Aeneas Silvius Piccolomini (Pope Pius II).

As the Counter- Reformation advanced, the Contarini networks split into two wings. One was the pro-Protestant spirituali, who later evolved into the party of the Venetian oligarchy called the giovani, and who serviced growing networks in France, Holland, England, and Scotland. On the other wing were the zelanti, oriented toward repression and the Inquisition, and typified by Pope Paul IV Caraffa. The zelanti evolved into the oligarchical party called the vecchi, who serviced Venetian networks in the Vatican and the Catholic Hapsburg dominions. The apparent conflict of the two groups was orchestrated to serve Venetian projects.

During the decades after 1570, the salon of the Ridotto Morosini family was the focus of heirs of the pro-Protestant wing of the Contarini spirituali networks. These were the giovani, whose networks were strongest in the Atlantic powers of France, England, Holland, and Scotland. The central figure here was the Servite monk Paolo Sarpi, assisted by his deputy, Fulgenzio Micanzio. Sarpi was the main Venetian propagandist in the struggle against the papacy during the time of the papal interdict against Venice in 1606. Sarpi and Micanzio were in close touch with the Stuart court in London, and especially with Sir Francis Bacon and Thomas Hobbes, who got their ideas from Sarpi's Pensieri (Thoughts) and Arte di Ben Pensare (Art of Thinking Well). Sarpi's agents in Prague, Heidelberg, and Vienna deliberately organized the Thirty Years War, which killed half the population of Germany and one-third of the population of Europe.

Sarpi also marks a turning point in the methods used by Venetian intelligence to combat science. Under Zorzi and Contarini, the Venetians had been openly hostile to Cusanus and other leading scientists. Sarpi realized that the Venetians must now present themselves as the great champions of science, but on the basis of Aristotelian formalism and sense certainty. By seizing control of the scientific community from the inside, the Venetians could corrupt scientific method and strangle the process of discovery. Sarpi sponsored and directed the career of Galileo Galilei, whom the Venetians used for an empiricist counterattack against the Platonic method of Johannes Kepler.

GROWTH OF THE VENETIAN PARTY

During the 1600's, the Venetian fondi were transferred north, often to the Bank of Amsterdam, and later to the newly founded Bank of England. During the reign of "Bloody Mary," the Stuart period, the civil war in England, the dictatorship of Cromwell, the Stuart Restoration, and the 1688 installation of William of Orange as King of England by the pro-Venetian English oligarchy, the Venetian

Party of England grew in power.
During the first half of the 1700's, the most important activities of Venetian intelligence were directed by a salon called the conversazione filosofica e felice, which centered around the figure of Antonio Schinella Conti. Conti was a Venetian nobleman, originally a follower of Descartes, who lived for a time in Paris, where he was close to Malebranche. Conti went to London where he became a friend of Sir Isaac Newton. Conti directed the operations that made Newton an international celebrity, including especially the creation of a pro-Newton party of French Anglophiles and Anglomaniacs who came to be known as the French Enlightenment. Conti's agents in this effort included Montesquieu and Voltaire. Conti was also active in intrigues against the German philosopher, scientist, and economist Gottfried Wilhelm Leibniz, whom Conti portrayed as a plagiarist of Newton. Conti also influenced Georg Ludwig of Hanover, later King George I of England, against Leibniz.
The Conti conversazione was also sponsored by the Emo and Memmo oligarchical families. Participants included Giammaria Ortes, the Venetian economist who asserted that the carrying capacity of the planet Earth could never exceed three billion persons. Ortes was a student of the pro-Galileo activist Guido Grandi of Pisa. Ortes applied Newton's method to the so-called social sciences. Ortes denied the possibility of progress or higher standards of living, supported free trade, opposed dirigist economics, and polemicized against the ideas of the American Revolution. The ideas of Conti, Ortes, and their network were brought into Great Britain under the supervision of William Petty, the Earl of Shelburne, who was the de facto Doge of the British oligarchy around the time of the American Revolution. The Shelburne stable of writers, including Adam Smith, Jeremy Bentham, Thomas Malthus, James Mill, John Stuart Mill, Charles Darwin, and other exponents of British philosophical radicalism, all take their main ideas from Conti and especially Ortes.
Francesco Algarotti, author of a treatise on "Newtonian Science for Ladies," was another Venetian in the orbit of the Conti conversazione. Algarotti was close to Voltaire, and along with the French scientist Pierre Louis de Maupertuis he helped form the homosexual harem around British ally Frederick the Great of Prussia. Frederick the Great was Britain's principal continental ally during the Seven Years War against France, when British victories in India and Canada made them the supreme naval power of the world. The homosexual Frederick made Algarotti his court chamberlain at his palace of Sans Souci. Maupertuis had become famous when he went to Lapland to measure a degree of the local meridian, and came back claiming that he had confirmed one of Newton's postulates. Frederick made him the president of the Berlin Academy of Sciences. Frederick corresponded with Voltaire all his life; Voltaire lived at Sans Souci and Berlin between 1750 and 1753. Voltaire quarreled with Maupertuis and attacked him in his "Diatribe of Doctor Akakia." The mathematicians Leonhard Euler of Switzerland and Joseph Louis Lagrange of Turin were also associated with Frederick's cabal.
The Conti salon directed the activities of Venetian intelligence agent Giacomo Casanova, a protégé of the homosexual Senator Bragadin. Casanova was employed primarily in operations against King Louis XV of France. During the War of the Spanish Succession, the Venetians helped the British to emerge as a great power at the expense of Holland and Spain. In the War of the Austrian Succession and the Seven Years' War, the Venetians helped the British to defeat the French as a world-wide naval power, ousting them from India and Canada. Later the Venetian agent Alessandro Cagliostro would destabilize Louis XVI with the Queen's necklace affair of 1785, which according to Napoleon Bonaparte represented the opening of the French Revolution.
Venice ceased to exist as an independent state after its conquest by Napoleon in 1797 and the Austrian takeover of the lagoon under the Treaty of Campo Formio. But the influence of the Venetian oligarchy over culture and politics has remained immense. From 1945 to about 1968, one of the most important of these influences was the Societe Europeene de Culture, based in Venice and directed by Umberto Campagnolo. The SEC operated freely in eastern and western Europe, and agitated against the nation state in the name of supernational values. The SEC launched the career of Franz Fanon, author of the Wretched of the Earth, whose ideas form a justification for terrorism. The premier foundation of the world is the Cini Foundation, which provides ideological directives for the far wealthier but junior foundations with names like Ford, Rockefeller, Carnegie, MacArthur, Volkswagen, etc.

BEFORE BONAPARTE: THREE CENTURIES OF VENETIAN SUBVERSION OF FRANCE, 1500-1800

The War of the League of Cambrai proved that Louis XI's modern French nation-state was a threat to the survival of Venice. The Venetians wanted to destroy France. But how? Direct military force was out of the question. The Venetians therefore decided on a strategy of cultural and political subversion. This subversion of France between 1500 and 1800 by the Venetians has few parallels in modern history.
Of all the national cultures of the modern age, the French is the most prestigious. In culture, the Anglo-Americans provide trash for the mass market, but the French provide the luxury goods for the elite. In Asia, Africa, and Latin America, intellectuals and elites who are tired of MacDonald's look, above all, to France. French culture, however, has been polluted by centuries of unrelenting operations by Venetians like Paolo Sarpi and Antonio Conti and others. Century after century, the most famous French writers professed their admiration for Venice, and made their personal pilgrimage to Venice. Exceptions there are, but they are few and far between. As Machiavelli or Leonardo might have put it, "La culture Francaise e una porcheria Veneziana": French culture is indeed a Venetian monstrosity.
British Prime Minister Robert Walpole gloated that "the French are ten times more idiotic than the British since they are so easily duped…." The French pride themselves on their knowledge and urbanity, on their glittering, cynical intelligence. They think they are true sophisticates and connoisseurs of intrigue. The worst thing that can happen to them is to be fooled. Well, the worst has happened, and the proud French are the dupes, fall guys, and suckers for the Venetians. British oligarchs who went along with the Venetians stood to gain. French oligarchs who went with the Venetians stood only to lose. The French are the pathetic losers.
The Venetians had been profiling the French since the Fourth Crusade of 1202, when Doge Enrico Dandolo duped the French feudal knights into capturing Constantinople for the Venetians. The old chronicles of Robert de Clari and Villehardouin show us something of the minds of the French dupes.
The heart of the Venetian cultural warfare after Cambrai was the no-soul thesis. Aristotle had taught that man has no soul. The Venetians taught the same thing. This is not theology, this is the essence of politics. The no-soul thesis means that man has no reason, man is an animal, man is a beast. But the soul is empirically there: You know it through creativity, through your own insights and discoveries, the fruits of which are permanent – immortal. You know your soul through love and charity and through your yearning for the good. If man is a beast, then the oligarchy and the empire are simply unavoidable. Venetians are materialists in this sense.
The no-soul thesis has technical names. It is called mortalism, annihilationism, thenetopsychism. All mean the same thing: no human soul. Around 1500, the University of Padua, the university of the Venetians, had a famous professor, Pietro Pomponazzi, warts and all. His doctrine was that there is no immortal human soul – in other words, that there is no soul at all. The whole person dies, body and soul. The main idea of what is called the Paduan school of Aristotelianism is that there is no human soul.
Around 1600, this was taught at Padua by Cesare Cremonini. When Cremonini died, he ordered a tombstone with the inscription: Hic jacet totus Cremoninus – "here lies all of Cremonini." The idea was that there had been no soul, and that all of Cremonini had gone into the grave. Pomponazzi and Cremonini exercised immense influence on France.
The no-soul thesis is the one infallible marker for a Venetian agent. Every Venetian agent, every Venetian asset, claims man has no soul, including Pomponazzi, Contarini, Cremonini, and Antonio Conti. In England, the no-soul idea was proclaimed by Venetian assets like Robert Fludd, Thomas Hobbes, John Milton, Cromwell's ally Sir Henry Vane, and various of the Cromwell- backed radicals including Richard Overton of the Levellers, Laurence Clarkson of the Ranters, Lodovic Muggleton and his Muggletonians, Gerard Winstanley of the Diggers, and Anne Hutchinson of Boston. Martin Luther had his own variation, that the soul slept until the last judgment. Every time you find the no-soul thesis, you have a Venetian agent, and generally also vice-versa.
The modern Venetian Party in France was founded by Paolo Sarpi (1552-1623), a no-soul Satanist and chief Venetian policy maker of the period around 1600. The best name for the Venetian Party of France is the cabal of the libertines. That is what they called themselves. Their creed was the no-soul thesis, mixed with various

forms of Satanism and mysticism. To found the cabal of the libertines, Sarpi first needed a war of religion.

I have shown that Gasparo Contarini of Venice was the prime mover behind both Martin Luther and King Henry VIII, thus creating both Lutheranism and Anglicanism. Neither of these doctrines could be sold in France, so a new and more militant form of Protestantism had to be created. It featured total depravity and absolute predestination, and it came to be called Calvinism.

Calvin had to be taught how to create a synthetic religion. His teacher was Pierre Taisan de l'Estoile. This Pierre Taisan de l'Estoile was a Venetian operative; his son was an admirer of Paolo Sarpi. The younger de l'Estoile wrote in his Journal (after the Interdict crisis of 1606) that "Father Paul, the Venetian monk of the Servite Order… is, in my judgment, the one who has best and most sincerely written for my lords the Venetians…. The treatise of Paul Sarpi, a monk and professor of Venice, along with his other writings published at this time in support of the Venetians against the attacks of the Pope, are seen in Paris, and are praised and collected by all the men of character and learning…. Sarpi's life is even more persuasive than his writings, and make him admired and revered in Venice as a holy man and give a great weight of authority to his books." Thus wrote the son of Calvin's teacher. Calvin was a Venetian agent.

The French King at this time was Francis I, who had been in Spanish captivity after the Battle of Pavia in 1525 in the Cambrai Wars. Francis I was inclined towards a reasonable policy of peace and tolerance until 1534, the year of the so-called Placards Affair. The placards were leaflets with violent protests against the Pope and the mass, put up in numerous public places and on the door of the King's bedroom. Francis I went wild; 20 heads rolled, and Francis persecuted the Protestants. One of the provocateurs had been Jean Calvin, who had a previous arrest record for such actions. One of the victims of this operation had been Calvin's own brother, who was executed and buried under the gallows.

The greatest French writer, Francois Rabelais, opposed Calvin. In the fourth book of his Gargantua, Rabelais condemned the "little Calvinist demons and other impostors of Geneva."

Calvinism was directed much more against the King than against the Pope. The French Calvinists were called Huguenots, meaning confederates. When the Calvinists of Geneva became embroiled with the Catholic Duke of Savoy, these Calvinists, since they were Swiss, were called the Eidgenossen, citizens of the Confoederatio Helvetica, and, thus, confederates. For French speakers, Eidgenossen became Huguenots. Huguenots were drawn chiefly from the oligarchy; it is estimated that, around 1570, more than a third and possibly half of the French nobility were Protestant.

Huguenot ideology permitted a comeback for the French feudal barons who had been crushed by Louis XI. These barons had been fighting the central monarchy for centuries, and now they had a new ideology to rationalize their desire for civil war. Some oligarchs became Huguenots to spite their enemies who stayed Catholic. Many oligarchs wanted to determine the religion of their own peasants, as they could in Germany.

Admiral Coligny of the Huguenots called in the English, while the Guise, the leaders of the Catholic Party, called in the Spanish. Crushed in the middle was the state built by Louis XI, and crushed along with that state was the expiring Valois monarchy, a series of the sons of Catherine de Medici. Irrationality loomed large in daily life; this was when the seer Nostradamus acquired his reputation.

France had nine flare-ups of civil war between 1562 and 1598. The French wars of religion had no clear fronts and were marked by looting and raiding operations by groups of armed oligarchs on each side. All of the contending factions had leaders who were Venetian agents, and, as time went on, more and more were agents of Sarpi personally. Sarpi's main French operative was Arnaud du Ferrier, who had been the French ambassador to the Council of Trent. Du Ferrier used his notes on the council to help Sarpi write his most famous book, The History of the Council of Trent. Arnaud du Ferrier was in direct personal touch with Jean Bodin and Michel de Montaigne. Sarpi's friend, fellow monk, and biographer Fulgenzio Micanzio says that Sarpi was "intrinsichissimo" – extremely friendly – with Arnaud du Ferrier.

Among the Venetian operatives were:

Michel de l'Hospital, the Grand Chancellor of France during the 1560's. He advised Henry II, Francis II, and Charles IX. It was on his watch that the weakness of the monarchy allowed the Guise to open the hostilities of the civil war. Michel preached moderation and tolerance; he has been called the first politique. We can imagine what would have happened to the United States if Abraham Lincoln had made tolerance the supreme virtue. Michel grew up in a family marked by treason to France: His father was a retainer of Duke Charles of Bourbon, the Constable of France, who went over to the Emperor Charles V and died fighting for the Hapsburg empire during the Sack of Rome in 1527. Michel had studied at Padua for six years; he wrote a Latin ode glorifying Venice:

"Salve, Urbs antiqua, potens, magnaeque urbs aemula Romae."

Michel's career benefited from early sponsorship by the Guise. According to the Venetian ambassador Andrea Barbaro, Michel was always a secret Huguenot. Even so, Michel took King Charles IX on a tour of France, allegedly to build his popularity and stability. In practice, the impressionable young king was shocked to see many churches that had been destroyed by the Huguenots. During the same trip, Michel left the suggestible Queen Mother Catherine de Medici alone at Bayonne in the company of the Spanish Duke of Alba, the butcher of Holland for Philip II. It is thought that the bloody-minded Alba directly or indirectly provided the idea for the St. Batholomew's Day massacre of 1572.

Philippe Duplessis-Mornay, correspondent of Sarpi, was the leader of the French Calvinists after the death of Admiral de Coligny in 1572; his nickname was the Huguenot Pope. He had visited Venice at the age of 18. He was a direct correspondent of Sarpi. He was the finance minister and money man for Henry IV, who later dumped him in a process of rapprochement with the Pope.

Jacques-Auguste de Thou was in correspondence with Sarpi. He was taught by Scaligero and Cujas. He visited Venice in his youth, and went there again in 1589 to seek assistance as a minister of King Henry III. For five years, de Thou accompanied the future King Henry IV in his field campaigns during the civil war. De Thou helped to write the Edict of Nantes of 1598, which provided tolerance, meaning an armed Huguenot party in the state with its own armies and fortresses. At one time, de Thou was named ambassador to Venice. One of de Thou's books was a life of Jean Bodin. Another was a monumental Latin history of France in his time, parts of which were translated into French by J. Hotman de Villiers, a Sarpi correspondent. De Thou bequeathed his library to his relatives of the Du Puy family, and it became an organizing center for the cabal of the libertines. De Thou's son was part of the attempt to assassinate Richelieu by the Count of Cinq-Mars.

Tracing this network is easier if we recall that the Venetians first supported Henry of Navarre to become King of France as Henry IV and were the first to recognize him. The Venetians controlled Henry IV's advisers. When Henry IV refused to back Venice in the Interdict, refused to start a war with Spain, and attacked Sarpi as a heretic, Venetian intelligence assassinated Henry IV, the most popular king in French history.

Sarpi held his French Calvinist network in contempt. He wrote: "The heretics of France are for the most part bad men…."

After the 1572 massacre of Huguenots on St. Bartholomew's Day, there was a growing reaction against religious fanaticism. This was expressed by a third force called the politiques. The politiques are much misunderstood. They were not just fed up with religious fanaticism. Several of the politique leaders represented an early form of the cabal of the libertines under Venetian control.

The leading politique was Jean Bodin, the first philosophe and an intelligence agent who worked for the Duke of Alencon, the son of Henry II and for a time the politique candidate for the monarchy. Jean Bodin was a disciple of Contarini and of Pomponazzi. Jean Bodin was in close contact with Sarpi's friend Arnaud du Ferrier, as well as with Cecil in London. Bodin was involved in plots to kill Queen Elizabeth of England, and was the judge in a trial in which a woman was executed for sorcery.

His Six Books of the Commonwealth talks much about sovereignty, but this is not the modern concept of sovereignty. For the Venetians, the slogan of sovereignty was used as a device to create conflict between any given government and the Pope. Sarpi, for example, posed as the defender of Venetian sovereignty against Pope Paul V Borghese during the Interdict. The Jesuit Cardinal Bellarmino had proclaimed that all temporal rulers were subordinated to the supremacy of the Roman Pope. Sarpi became celebrated in all of Europe by arguing that the Pope could not interfere with the prerogatives of the sovereign state. King James I Stuart of England and Scotland, who claimed to get his divine right directly from God without any papal intermediary, was one of Sarpi's biggest fans. Telling the princes of the Holy Roman Empire that they were not really sovereign was also a great way to stir them up against the Hapsburgs. This close parallel between Bodin and Sarpi has been noticed by Italian writers including Federico Chabod and more recently Paolo Frajese.

Much of Bodin's book is also devoted to a weird theory of climate,

which appears as a racist determinism. Northerners succeed by force, southerners by cunning; "… southern peoples are cruel and vindictive in consequence of their melancholy, which engenders extreme violence in the passions and impels men to take vengeance for what they suffer." And: "There is another very notable difference between northerners and southerners, in that the former are modest and chaste, and the latter very libidinous as a result of their melancholy temperament." Or: "northern races, or those who live in mountainous regions, are proud and warlike, relying on their physical prowess, and so they prefer popular states, or at any rate elective monarchies, and will not endure to be ruled by pretentious boasters." From such arid banality it is not far to Henry Kissinger's idiotic dictum that "history is not made in the South."

Bodin also talks of tolerance. As we can see in sixteenth- century England, tolerance often meant opening the door to gangs of Venetian madmen organized as religious sects. If Governor Winthrop of Massachusetts had caved in to Cromwell's pressure to tolerate these sects, North America might have become a madhouse for depraved sectarians. In any case, notice that Bodin's model for tolerance is none other than Gasparo Contarini, the Venetian patrician who started the Reformation and the Wars of Religion as a wartime measure against the League of Cambrai. Venice itself managed to be the most thorough totalitarian police state while at the same time tolerating the exercise of many religions.

The real Jean Bodin emerges in obscene relief in his long-unpublished Latin work, Heptaplomeres. (See Marion L.D. Kuntz [ed.], Colloquium of the Seven about Secrets of the Sublime, [Princeton, 1974]). There is no doubt that Jean Bodin was the author. The scene is Venice, famous for its atmosphere of perfect freedom, where a group of oligarchs discuss religion. They are Coronaeus the Catholic, Salomon the Jew, Toralba the naturalist or empiricist, Fridericus the Lutheran, Curtius the Calvinist, Senamus the skeptic, and Octavius the Moslem. According to some commentators, the tolerant Catholic Coronaeus "in several ways resembles the eminent Cardinal Gasparo Contarini." [Kuntz, p. xlv]

If Coronaeus acts as ireneic mediator, it is Salomon the Jew who emerges as the dominant figure. This is because he is able to draw upon the Cabala, the mass of mystical writings much fetishized by Bodin and Postel. Cabala is of course not a part of Judaism, but represented an entirely different polytheistic religion much inferior to Judaism itself. Octavius, a convert from Rome to Islam, is the resident expert on mummies and other exotic spiritual phenomena of the East. This is completely unfair to real Islam. Fridericus, the Lutheran, is also a great expert on demons. Toralba recommends reverence for God and following the laws of nature. Senamus, the skeptic, accepts no religion but at the same time rejects none.

What they all agree on is that mummies can stir up storms and have miraculous powers of healing, that the world is full of demons, and that true wisdom is to be found in the mysticism of the Cabala. They are interested in necrophilia, sing hymns to Isis, talk of Cabbalist Hermes Trismegistus, and praise Gasparo Contarini. The first sentence of the actual dialogue is, "Don't you think we have talked enough about the immortality of souls?" Voila: the Venetian party.

The dialogue is preceded by an introduction which sets the stage:

"You ask me in letters to write you about my foreign travel. Everything would have happened to my liking, if I could have taken delight in your companionship. If I shall ever meet with you again, I shall never allow myself to be separated from you. When we had a difficult time sailing along the coast of the Adriatic Sea, we reached Venice, a port common to almost all nations or rather the whole world, not only because the Venetians delight in receiving strangers hospitably, but also because one can live there with the greatest freedom. Whereas other cities and districts are threatened by civil wars or fears of tyrants or harsh exactions of taxes or the most annoying inquiries into one's activities, this seemed to me to be nearly the only city that offers immunity and freedom from all these kinds of servitude. This is the reason why people come here from everywhere, wishing to spend their lives in the greatest freedom and tranquillity of spirit, whether they are interested in commerce or crafts or leisure pursuits as befit free man." [Kuntz ed., p. 3]

There is also much praise for Cardinal Contarini, the Venetian intelligence chief of the Cambrai period:

"Fridericus: When, at the imperial Diet at Ratisbon the Emperor Charles V, in agreement with the German princes, had selected six most upright theologians of each religion to settle the religious controversies of the Romans and Germans … they thought they should begin with the question of human justification. When in this discussion three theologians of the Augsburg Confession had drawn the Catholics, Pflugius, Fabrus, and Groppeus to their position and had likewise persuaded Cardinal Contarini, legate of the Roman See of this point of view, namely, that man is blessed by faith alone and by no merit of his own, Eckius, one of the Catholics, became so angry against his colleagues that the Catholic bishops and princes, convinced by him, forced Charles V to dissolve the discussion twenty days after it had begun…. Cardinal Contarini, the most learned Venetian patrician who was said to have agreed with the Lutherans, died a little afterwards, and it was strongly suspected that he died of poisoning." [Kuntz ed., 423]

It is no coincidence that Bodin puts this speech into the mouth of Fridericus, the Lutheran spokesman; Contarini was the founder of Lutheranism and assured the protection of Luther, through his agent Spalatin.

The first phase of the search for true religion in Book I of Heptaplomeres is centered on a discussion of the amazing powers of Egyptian mummies, as illustrated by the soi-disant Moslem Octavius, who tells of how he robbed a grave, stole a mummy, and tried to ship the mummy home by sea from Alexandria. He wanted the mummy because "there was so much healing power in these corpses that they warded off almost all diseases." After Octavius left Egypt, the ship on which he was traveling with the mummy was overtaken by a terrible storm. The terrified passengers began praying for safety according to Roman Catholic, Greek Orthodox, Jewish, Moslem, and even Venetian rite customs. A Spanish soldier even tried blasphemy of the Christian God. But, Octavius recounts, all prayers and incantations were useless until the ship's captain threatened to execute anyone with a mummy in his baggage. At that point, Octavius surreptitiously threw his mummy overboard, and the storm calmed immediately. The captain later told Octavius that "the transportation of Egyptian corpses always stirred up storms and… that the nautical laws of the Egyptians scrupulously prohibited this." [Kuntz, 14]

The message is clear: All the monotheistic religions put together are no match for even one good old-fashioned mummy. Mummies were a favorite theme of Bodin's, since he also wrote about their powers in two of his other books, his 1580 On the Demonomania of Witches and his 1596 Universae naturae theatrum. With Bodin, we are not far from the later British intelligence stunt known as the "curse of King Tut's tomb."

From the mummies of Book I, Bodin moves on to the demons of Book II. Let us sample some of the exchanges:

"Fridericus: … those who have been present when magicians assembled together agree if anyone uninitiated to demonic rites is brought there and shudders at the detestable devotions, suddenly with a clap of thunder the assemblage of demons and magicians is dissolved…. And just as the assemblages of soothsayers and the dire poisons of magicians smell of sulphur, so also those places in which lightning has struck are filled with the foulest odor of sulphur. We have observed that those fiery rocks made by demon's art smell of nothing but sulphur. Now, who is so blind that he does not see the actions of demons in the flashing of lightning…. the power of demons is also indicated when swords melt in an unharmed scabbard, when utensils burn in a closed and untouched cupboard, when the private parts lose hair though the skin is unblemished, when a wife recoils from the embrace of her husband. In countless actions which are most alien to nature, we must admit these things happen contrary to nature only by the force and power of demons or angels.

"Curtius: The ancient theologians identified three thunderbolts of Jupiter, namely white, red, black…. Since Pliny did not comprehend this, he thought that the white lightning fell from the body of Jupiter himself, an opinion too frivolous to deserve refutation.

"Octavius: I hear that Timurbecus, whom our people call Tamerlan, followed this method of imposing punishment….

"Salomon: Into their myths the Greeks wove the truth which they received from the Hebrews. They represented Juno as presiding in the air and hurling down avenging spirits from the midst of the air to keep them from flying into heaven. This indicated only that lesser spirits and demons were enclosed by their particular boundaries, to keep them from breaking out above the region of the clouds and were cast out by higher angels and powers and hurled down on the earth. By their fall they terrify mortals….

"Senamus: You have explained these matters elegantly and charmingly, but I do not know why demons pursue the bodies of Egyptians rather than Greeks or why they are accustomed to stir up tempests only when those bodies are stolen. Surely everyone knows that corpses are customarily carried on ships, sometimes to

Asia, Greece, and even to Italy without a storm.
"Fridericus: But those corpses were not yet buried….
"Octavius: Perhaps demons envy men the salutary remedies which are recovered from those corpses of Egyptians. For they guard with unusual diligence the hidden treasures and kill those who dig them up…. George Agricola has many stories of this kind in which he relates that many people saw demons of pygmy size in the mines…. A long time ago, Apuleius, that greatest magician and poisoner, recalled this vexation. I find it strange, however, that no one who had sought a treasure with a demon's help had ever found it or was enriched with the find.
"Curtius: Surely by Roman law money is denied to those who search out treasures by means of detestable sacrifices or from any other forbidden art.
"Fridericus: The Chaldeans say their terrestrial demons, supposedly the guardians of treasures and corpses, are more deceitful and cruel because they are farther from the purity of light and divine knowledge….
"Salomon: The divine law wholeheartedly curses this impiety and mischief that magicians used and those who thus feast on blood with demons.
"Fridericus: But if those demons are the souls of wicked men who either had placed all their hope in their buried treasures secured from plunder,… let them pay just punishments with daily torment. Or demons may be the spirits of those who must pay the penalties for directing all their efforts to building palaces and towers with the blood of the people…. Finally, I do not doubt that impure spirits wander around the foul and loathsome regions and stir up storms and winds.
"Toralba: …it was not without cause that Thomas Aquinas, famous even among physicists, wrote that demons stir up lightning and thunder.
"Curtius: Pliny and Strabo wrote something similar to this…. Plutarch thought that the causes of this extended silence [of oracles] must be attributed to the death of demons.
"Senamus: If demons disturb the visible sky, the seas, lands, fires, if they terrify men with thunder, lightning, winds, whirlwinds, earthquakes, and unexpected portents, if they hover over divine and human ambassadors, if then they regulate and overturn powers, states, cities, districts, families, finally if they are added to individual men as guardians and avengers, consider how great a multitude of demons and angels must be stationed up and down in all parts of the world and in individual places…. Fridericus has maintained that there were demons of each nature and sex, ephilates and hyphilates, in the unions of witches with incubi and magicians with succubi….
[...]
"Coronaeus: Senamus has proposed a very difficult but proper question. If Toralba will explain it with his usual care, he will render a great service not only to Senamus but to all of us.
"Toralba: … since a discussion of the origin of angels and demons, their place, condition, and death seems far removed from positive proofs, surely we ought to seek an explanation of these things from the Hebrews, who drank divine secrets from those very fountains and sacred sources….
"Salomon: After our ancestors returned to Chaldea as prisoners, they became acquainted with many things by divine communication. However, we received nothing which has not been common knowledge throughout the world and available to everyone." [Kuntz, 83-89]
The "divine communication" which Toralba appeals to, and which Salomon declines to discuss is of course the Cabala. Of this latter Salomon says in Book III:
"Since that teaching is perceived only by hearing, it is called qabbalah (tradition). This is what Esdras meant when he said: 'Some things you will make common knowledge; others you will relate to the wise'…. In like manner, the sacred books were written in such a way that those things which pertain to the salvation of everyone, such as the decalogue and everything connected with it are easily understood by all…. The occult rites and sacrifices which have less to do with salvation are understood only by the learned, and the knowledge of natural mysteries, the Cabala, is understood only by the most learned." [Kuntz, 94-95]
In sum, we can see that all of the interlocutors of the Heptaplomeres, whatever their nominal religious affiliation, are Venetian cultist kooks. There is not one of them who stands up to confront the others with the plain fact that they are all wallowing in wild insanity and black magic.
As Jacques Roger wrote, "since he has assembled in his dialogue all the traditional arguments against the divinty of Jesus Christ, Bodin is a 'rationalist', probably a disciple of Pomponazzi…. The problem is that this modern thinker, this rationalist, firmly believed in demons and witches…."
Bodin was in a tandem with Guillaume Postel, the first Frenchman to read the Cabala and publish an edition of the Zohar, one of the classics of Cabala. Bodin and Postel shared the same patron; this was Gabriel Bouvery, Bishop of Angers, and nephew of Guillaume Poyet, Chancellor of France, who was Postel's paymaster by 1538-40. According to various sources, the discussions described in Heptaplomeres were not a work of fiction, but had actually taken place in Venice. Postel had attended them. The goal of the discussions had been to create a new, synthetic, syncretic, and satanic religion using scraps of the three monotheistic faiths. After Postel's death, Bodin got his stenographic notes and made them into the Heptaplomeres. Postel's Venetian seminar could only have been sponsored by the Giovani Party of the Venetian oligarchy, the party of the Ridotto Morosini salon attended by Paolo Sarpi. Postel's seminar was a founding constituent of the cabal of the libertines, the Venetian Party of France.
The goal of Bodin and Postel was to synthesize a new religion, as related by Antoine Teissier, Eloges des hommes savants, tires de l'histoire de M. de Thou, avec des additions (Leyden, 1715):
"Henri Etienne assures us that he saw Postel at Venice publicly proclaiming that if one wished to have a good religion, it would be necessary to compose a religion from those of the Turks, the Jews, and the Christians. Moreover, Mr. Naudé said that at the time when Postel was at Venice there were four men who gathered twice every week to discuss with complete freedom all the religions of the world, and that Postel wrote what took place in their discussions. After the death of Postel these writings fell into the hands of Bodin and became the material for the book entitled About the Secrets of Sublime Things…."
The same notion is conveyed by an earlier source, Diecmann's 1684 De Naturalismo:
"And so it was pleasing to arrange his whole scene with Bodin as chorus-leader so that any religion might be applauded more than the Christian religion, or that religion might be mingled by Samaritan confusion with Jewish and Turkish treachery; that he seems to have wished to unite himself clearly to the intention of his most insane citizen, Guillaume Postel, whom Henricus Stephanus heard saying publicly now and then at Venice that whoever wishes to fashion a form of good religion ought to blend this from those three – the Christian, Jewish, and Turkish religions. I am not at all deceived in this conclusion which I learned not so long ago from a French manuscript which mentioned that Guy Patin, physician and royal professor at Paris, had heard from Gabriel Naudé whom he knew very intimately, that there had been at Venice four men who had met twice a week for the purpose of establishing philosophical discussions about the various religions. Among those were Coronaeus of Rouen and the one whom I mentioned, Guillaume Postel, who acted as stenographer. His [Postel's] manuscripts, after he had died at Paris in 1584, came into the hands of Bodin and were used to complete this work." [Kuntz, p. lxi]
As for Postel, he tried to start a cult around that rarest of commodities, a 50-year old Venetian Virgin – in this case a certain Mother Zuana, a woman he found working among the poor at the Ospedaletto of Venice. Postel came under the influence of Madre Zuana during 1549-1550. Postel identified her with the shechinah, the cabalistic term for the female aspect of the deity. Madre Zuana's father confessor was a member of the Convent of St. Francesco della Vigna, which had previously been the base of operations of Francesco Giorgi, the relative of Contarini who had earlier moved to the English court as resident sex therapist for King Henry VIII. It is a safe bet that Postel imbibed the Francesco Giorgi version of Cabala and Rosicrucianism from Giorgi's old colleagues at St. Francesco della Vigna.
Later, in 1552, Postel claimed that the departed spirit of Mother Zuana had occupied his body through a mysterious process he called "immutation." Perhaps as a result, Postel became an early feminist. He was also Royal Lector for King Henry II of France and was close to the king, who died in a suspicious tournament accident which Nostradamus claimed to have predicted.
The exoteric ideas of the cabal of the libertines involved much verbiage around the idea of Nature. What was natural was good, what was unnatural was bad, etc. The state of nature was good, other states were less good, etc. St. Evremonde praised "la bonne loi naturelle." The world is ruled by blind fate, which is amoral and cannot be opposed. Wisdom is a matter of giving expression to one's own Nature by seeking enjoyment. Most of the so- called Enlightenment boils down to these few banal notions.

Parallel to Bodin, was Michel de Montaigne, the inventor of the essay form and the founder of the modern French ideology of the honnete homme – clever, urbane, cynical, skeptical, sensual. Bodin and Montaigne were linked by their common acquaintance with Sarpi's favorite Frenchman, Arnaud du Ferrier. Montaigne was close to Sarpi's correspondents DuPlessis-Mornay and de Thou, with the latter of whom he wanted to retire to his beloved Venice at the end of his life. Montaigne was Sarpi's favorite writer, especially for his essay on friendship with its homosexual overtones.

It is quite likely that Montaigne met Sarpi when he visited Venice in 1580. There is a tradition that Montaigne was on a diplomatic mission; he might have been representing his king or perhaps a faction on the French political scene. Some of Montaigne's ideas on magnetism are reflected in Sarpi's Pensieri. Later, Montaigne's disciple Pierre Charron wrote various tracts to popularize his master's point of view, and these writings of Charron also find their reflections here and there in Sarpi's notes for his neo-Aristotelian, neo-Ockhamite empiricist method.

Montaigne's motto was "Que sais-je?", what do I know? His answer reflected his pessimism about human knowledge and human creativity. Montaigne thought that even the "brutal stupidity" of animals assisted by their instincts could do better than "everything of which our divine intelligence is capable."

Montaigne's father had been a French soldier in the War of the League of Cambrai. The elder Montaigne had served with Lautrec; he kept a diary of his Italian years which has never been found. Montaigne's father had brought back from Italy a system of education supposedly endorsed by Italian humanists. The main idea was to speak only Latin around the child so as to make Latin the child's native language. Montaigne claims that he heard only Latin until he was six years old. Had the Venetians furnished the plan embraced by the elder Montaigne?

Montaigne wrote of cannibalism: While we think it is barbarous, many cultures think it is fine, so who are we to say? And, given our wars of religion, who are we to talk? "I think there is more barbarity in eating a man alive than in eating him dead; and in tearing by tortures and the rack a body still full of feeling, in roasting a man bit by bit… (as we have not only read but seen within fresh memory, not among ancient enemies, but among neighbors and fellow citizens, and what is worse, on the pretext of piety and religion), than in roasting and eating him after he is dead."

Antonio Conti's later assets, Montesquieu and Voltaire, paid tribute to Montaigne as the founder of their tradition. For two centuries, until the regime of Napoleon, the popularity of Montaigne in France survived, cutting across all changes in government or literary taste. Montaigne's "honnete homme" remains the foundation of the French ideology to this very day, a fact that helps to explain the political success of such creatures as Georges Pompidou, Giscard d'Estaing, "Tonton" Mitterrand, and Jacques Chirac.

Montaigne's partner was Etienne de la Boetie, another fanatical admirer of Venice. Only after de la Boetie died did Montaigne get married. Etienne de la Boetie wrote a praise of Venice in his Discourse on Voluntary Servitude, a book which still elicits enthusiasm from Murray Rothbard and other libertarians of today: "Whoever could have observed the early Venetians, a handful of people living so freely that the most wicked among them would not wish to be king over them, so born and trained that they would not vie with one another except as to which one could give the best counsel and nurture their liberty most carefully, so instructed and developed from their cradles that they would not exchange for all other delights of the world an iota of their freedom; who, I say, familiar with the original nature of such a people, could visit today the territories of the man known as the Great Doge, and there contemplate with composure a people unwilling to live except to serve him, and maintaining his power at the cost of their lives? Who would believe that these two groups of people had an identical origin? Would one not rather conclude that upon leaving a city of men he had chanced upon a menagerie of beasts?"

Etienne de la Boetie died in 1563. His remarks on Venice correspond exactly to the general political line of the Giovani Party, the patrician association meeting in the Ridotto Morosini. The agitation of the Giovani was that the Council of Ten and its Zonta (or Giunta) had robbed the Venetians of their ancient liberties. The Council of Ten was the organ of government that supervised internal security, spying, and surveillance; it could and did conduct secret trials of patricians and sentence them to death. The Giovani demand was, of course, that the members of the Vecchi Party who dominated the Council of Ten should be ousted and replaced by Giovani, along with some other formal changes. The reform of the Council of Ten was carried out in 1582, and marked the transition to overall domination by the Giovani. Etienne de la Boetie's treatment of Venice shows that he was not only an admirer of the Venetian oligarchy, but also that he was a partisan of the Giovani Party specifically.

Montaigne wrote of his friend: "if [la Boetie] had been able to choose, he would have preferred to have been born at Venice than in Sarlat [near Bordeaux], and he would have been right." For his own part, when Montaigne crossed the Alps for the first time in 1580, his paramount goal was Venice. His travel journal notes that Montaigne "was saying that he would not have been able to stop at Rome or anywhere else in Italy and be at rest if he had not first seen Venice." The French writer who most distinguished himself in attacking Montaigne was Blaise Pascal.

Now for a few key figures from the cabal of the libertines over the centuries.

1600-1700

The Venetians sent Giordano Bruno to Paris. They later also sent Vanini, a disciple of Bruno. Vanini was accused of propagating the no-soul thesis and was burned at the stake, which spread sympathy for the libertines. Vanini's doctrine was that men were without souls and died in the same way that dumb animals do. At his trial, Vanini testified that he had attended a Naples meeting of 12 operatives dedicated to spreading atheism in Europe, and that he had been assigned France by drawing straws. Bruno has since had a following in France, including Cyrano de Bergerac, and later Fontenelle, the permanent secretary of the Academy of Sciences and an ally of Antonio Conti.

In the wake of Bruno and Vanini, a nucleus of libertine poets emerged in Paris. These included Maynard, Boisrobert, Tristan the Hermit, Saint-Amant, and Theophile de Viau. Among the poets of the same time, there was Desbarreax, who had studied with Cremonini. Close to him was Theophile de Viau, who was almost burned at the stake himself. This Theophile de Viau was reputedly a bisexual and for certain Descartes' favorite poet. The libertine poet Tristan was an imitator of the Italian pornographic poet Marino. In the same circles traveled the atheist and libertine Abbé Boisrobert, who, with the support of Richelieu, founded the Academie Francaise on the model of the Venetian controlled Aristotelian academies of Italy.

French intellectual life during the 1600's was often centered in salons, academies, and cabinets. The procedure of the Venetian Party was to establish or take control over the most prestigious and fashionable of the salons, and then use the hegemonic influence of these Venetian dominated leading salons to set the tone the lesser and provincial salons and academies were expected to follow. A prime example is the leading cultural academy of the early 1600's, the Academie Puteane. Its organizer was Elie Diodati of the infamous Calvinist Diodati family of Geneva, friends of Sarpi and controllers of Milton. Diodati was in direct touch with Galileo and hosted Milton during the latter's grand tour. During the first phase of the Academie Puteane, Diodati functioned as its secretary. Another member was Gabriel Naudé, who had studied with Cremonini in Padua and admired him as a "deniaise," meaning that Cremonini was an initiate who had seen everything. Naudé, who admired Cremonini's powers of deception, was Cardinal Mazarin's librarian, and anticipated several important ideas of Descartes.

A third member was the philosopher Gassendi, the dominant philosopher of the period from 1640 to 1660 in France. Gassendi taught an empiricism similar to Sarpi's. This included a material soul which was as rarefied as the simplest atoms, but material nonetheless. LaFontaine, whose fables imitated not just Aesop but also much more recent Venetian models, was influenced by Gassendi. Other Puteane activists included Guy Patin, a professor of medicine, and the skeptic La Mothe le Vayer.

Patin had a joke about the immortality of the soul: He said that he once asked a moribund patient to come back and report on the afterlife. Patin said that the patient had indeed come back, but had refused to speak, leaving him ignorant about the immortality of the soul.

When Gassendi went out of fashion around 1660, he was replaced by the notorious Rosicrucian Descartes, who was also steeped in the Cabala. When he was at college with the Jesuits, Descartes had been a pro-Galileo activist. The turning point in Descartes' intellectual biography was a series of three rapti philosophici, or philosophical trances, experienced on the night of November 10-11, 1619 in a heated room in a German village. November 11 was St. Martin's day, and St. Martin's eve was one of the great drinking bashes of the old Christian year – something like New Year's Eve

today. The three dreams were the sources of Descartes' theory of vortices, among other things.
Descartes completed his own pilgrimage to Venice, and combined it with successful espionage for clients, including the French army of the Alps. Descartes visited the highly strategic Valtellina region of Switzerland, which was one of the nodal points of the Thirty Years' War, then in progress. The Valtellina was the territory of the Protestant Grisons or Grey Leagues, a land corridor which permitted direct communication between the possessions of the Austrian archdukes, on the one hand, and Spanish-occupied Lombardy and Milan on the other. It had been seized by the Spanish in 1619. Descartes, by then an expert in fortification and siege warfare, sent back such accurate reports that a French force was soon able to seize the Valtellina, severing the Austrian-Spanish communications. Naturally, all this was perfectly coherent with the anti-Spanish policy of the Venetians. Descartes arrived in Venice to see the traditional yearly ceremony acting out the marriage of the Doge to the Adriatic Sea.
Soon countergangs emerged with the announced purpose of countering the cabal of the libertines. An example was the Company of the Holy Sacrament, created in 1629 by the Duke of Ventadour. This was a secret society and included a pervasive spy network. Mazarin formally dissolved the Company of the Holy Sacrament, but its networks were still active as the "cabal of the devout" at the court of Louis XIV. The playwright Moliere, who was for a time the director of Louis XIV's entertainments, came into conflict numerous times with the cabal of the devout. Moliere, who was something of a libertine himself, satirized the religious activists in the figure of Tartuffe, the sanctimonious hypocrite who affects a mask of piety to pursue his often immoral goals.
After Richelieu died, the oligarchs rose up in rebellion against Mazarin under the leadership of the Cardinal de Retz, also a prominent author. This was the Fronde of 1650. Many rebellious nobles, like the Orleans, were atheists and libertines and frondeurs. Another famous frondeur was La Rochefoucauld, the author of the many cynical and worldly maxims.
Among the libertines of the second half of the 1600's, we find Pierre Bayle, the antagonist of Leibniz. There is also St. Evremonde, a veteran of the Fronde and the de facto libertine envoy to London. St. Evremonde's pose was that of the refined voluptuary. Under Louis XIV, libertines and atheists met at the Societe du Temple, where the dominant figure was the Grand Prieur de Vendome. Another center of the Venetian Party was the Palais Royal, controlled by the Duke of Orleans.

1700-1800

The cabal of the libertines, from the very beginning, had capabilities for espionage, assassination, and terrorism. A good example is the network of Pierre Jurieu, an espionage agent in the service of William of Orange active around 1700. The Public Record Office in London has thousands of pages of espionage reports from Jurieu's extensive network. Jurieu was a Huguenot minister and a translator of Paolo Sarpi. According to one commentator, "Jurieu made himself the tenacious defender of Calvinist orthodoxy. He refused any compromise, any relaxation, any tolerance. But this intransigence, which gives him a somber grandeur, also led him, by apparent paradox, to the most revolutionary theses. Jurieu severed the French Huguenots from any duty of obedience to the King; he thus legitimized insurrection and was one of the fathers of democracy, and one of the most obvious precursors of the spirit of 1789." (A. Niderst, Dictionnaire des Litteratures). Based on his reading of the Apocalypse, Jurieu announced that in 1689 both the regime of King Louis XIV and the French Catholic Church were going to collapse.
Jurieu on Sarpi: "…it hath pleased God in his Providence to raise up even in the Church of Rome, a wise, a moderate, a judicious and sincere man, one that in a word was the greatest man of his age, who hath carefully wrote this History. He has all the Perfections required to compleat an Historian…."
After about 1710, the Venetian networks of France were reorganized around Newtonianism by Antonio Conti. Conti worked with Montesquieu and Voltaire. Conti's later network included Buffon, Diderot, Condillac, and other leading lights of the celebrated French Encyclopedia.
Venetian operatives like Giacomo Casanova moved through the network of the cabal of the libertines. Casanova's mission for Venetian intelligence was to attack and undermine the regime of Louis XV. He was followed by the Venetian agent Cagliostro, who organized scandals that helped, according to Napoleon, to start the Revolution with the "queen's necklace affair," which generated widespread hatred against Marie Antoinette and Louis XVI. None of these operations could have succeeded without the cabal of the libertines, the ambient portrayed by Mozart in the "Viva la liberta" scene in Don Giovanni.
Finally, by about 1800, after three centuries of subversion, French society had been degraded to the point that Frenchmen were willing to submit to the dictatorship of a foreigner – of a Venetian. The cabal of the libertines had set the stage for the Revolution, the Terror, and for Bonaparte. France's most famous dictator turned out to be a post-1380 Genoese Corsican and therefore a de facto Venetian, revealing the open secret that so much of the dark side of French culture had been produced by the Venetians all along.

The War of the League of Cambrai, Paolo Sarpi and John Locke

From ICLC Conference panel titled: "The Axioms of the American System," Feb. 18, 1996; appeared in New Federalist, March 18, 1996

Every person, whether he knows it or not, is a philosopher. Each of us necessarily develops a theory of how the world works. This theory is expressed as a set of axioms. The axioms are self-evident ideas that are recognized and accepted by everybody in sight. The axioms define human nature, the content of history, the workings of economics, the purpose of government, the goals of life. Today's American population operates according to axioms which are false, oligarchical – and suicidal. A dictatorship or a monarchy can get by with slaves or subjects, but a republic demands educated and capable citizens. Without citizens, a republic cannot survive. The most dangerous force in American life today is public opinion itself. In today's crisis, public opinion rejects out of hand all the urgent measures needed to promote national survival. This public opinion is stupefied by television and spectator sports and crassly manipulated by the news media. This depraved public opinion reflects not so much the admitted failure of political leadership as the degradation of the intellectual life of the average citizen. In the face of this kind of public opinion, world civilization as we have known it cannot long survive.
Is there a remedy? It must be to uncover the false axioms, uproot them, and replace them with the truth. History and philosophy are two powerful weapons in this fight against false axioms. The crisis of the citizen needs to be seen in a long historical perspective – we need to look at the five hundred years since the Italian Renaissance opened the modern era.
Before the Renaissance started about 1400, there was a discouraging sameness in most known forms of human society. Some were better, some were worse, but they were generally two-class systems: ruling elite and mass. The mass made up 95% of the population. They were peasants, serfs, and slaves, almost always laboring on the land, almost always illiterate and benighted. Their lives were nasty, brutish, and short. Over these peasants and serfs commanded a feudal aristocracy. Monarchy is bad enough, but most of the pre-Renaissance societies were something worse: they were small ruling classes called oligarchies. The aristocrats had military retainers, priests, scribes, and lackeys, making up at most 5% of the population. Under these conditions, world population potential was measured in the hundreds of millions, and even these were decimated by frequent plagues and famines.
Now and then a good ruler might appear, and did appear, along with excellent philosophers and scientists. But the oligarchy was always present, waiting to drag the society down again. Usury, constant warfare, slavery, racism, Aristotelian philosophy – these are the trademarks of oligarchy. Oligarchs come in many forms: the Roman senate, the barons of the dark ages, the Russian boyars, east European magnates, the French frondeurs, the princes of the Holy Roman Empire. Most of these feudal aristocrats were very ignorant, brutal, and crude. The medieval feudal aristocrats were easily manipulated by the Venetians, who had inherited the methods of Babylon, Rome, and Byzantium. From about 1000 AD until about 1600, the leading center of oligarchy in Europe and

nearby Asia was Venice.
The first sustained breakout from this 2-class model came with the movement starting with Dante and Petrarch and culminating in Cusanus, Leonardo, and the Italian Renaissance of the 1400's. The high point of the early Renaissance was the Council of Florence in 1439, convened under the sponsorship of the Medici rulers of Florence. In addition to briefly re-uniting the Christian world, this council embraced the theology of the filioque. In political terms filioque meant that each and every human being is made in the image of God, similar to God, by virtue of possessing God-like qualities of intellectual creativity in the form of a human soul. Therefore the dignity of the human person had to be respected. The human mind was capable of scientific discovery, and also capable of creating the modern nation-state.
The impulse from the Council of Florence reached around the world with Columbus and the Florentine Amerigo Vespucci, the Medici envoy who gave his name to the new continents of the Americas. The same impulse of human progress reached into France, where King Louis XI used Florentine methods to create the first modern national state. This was a matter first of all of breaking the power of the turbulent feudal aristocracy. This was done with taxation, which also financed the beginnings of the modern administration. Louis XI had a social base in the commercial and manufacturing classes of the cities and towns – the origins of the modern middle class. As King between 1461 and 1483, Louis promoted industry and commerce, protected the rights of labor, enacted public health statutes, built infrastructure, drained swamps, and built up a national army. The population and prosperity of France increased accordingly. France was the first nation to reach the take-off point into the modern age.
French military power also grew. This was soon noticed by the new Tudor regime in England, as well as by the rulers of Spain. It was clear that the future belonged to the larger nation-states that were smart enough to imitate the methods of Louis XI. If the Louis XI model were to prevail everywhere, there was the hope that the oligarchs as a class might be crushed. The momentum of the Renaissance art, science, and statecraft might overwhelm all resistance and become unstoppable.
The Venetians, who had been waging their own war against Florence and the other Italian Renaissance states for a century, studied events in France carefully. Venice was essentially a city-state with an inland empire in northern Italy and a marine empire in the Mediterranean. At first the Venetians thought they could survive as a great power by playing off the new nation-states one against the other. As soon as Louis XI was dead, the Venetians invited his unworthy and inferior heir Charles VIII to conquer Milan. The French conquered Naples, Florence, and Milan, but their presence also drew in the forces of Spain. It was a time of rapidly shifting alliances. Before long, the main powers had all been antagonized by Venetian perfidy and geopolitics. For the Venetians had been filching territory on all sides, grabbing for every fly that flew by them.
What followed was the War of the League of Cambrai, the great world war that marked the opening of the modern era. If Venice had been destroyed in this war, the European oligarchy would have been deprived of its command center and is likely to have perished. Without Venice, we would have been spared the wars of religion, including the Thirty Years' War; we would have been spared the British Empire and most of its wars, including the American Civil War and the two world wars of this century. The same goes for most of the depressions and economic crises of these years.
At the heart of the League of Cambrai was the joint commitment in 1508 by King Louis XII of France and Maximilian, the Holy Roman Emperor, to divide the territory of Venice between them. The King of Spain joined in because he wanted to take Venetian possessions in southern Italy. A little later Pope Julius II della Rovere also joined the League. Julius II della Rovere was a professional soldier and an oligarch. He was called the papa terribile; his portrayal by Rex Harrison in the movie The Agony and the Ecstasy is much too kind.
But now the Venetians, the masters of geopolitics and encirclement, were faced in 1509 by a league of virtually all the European states with the exception of Hungary and England. In Venice, the Council of Ten assumed emergency powers. The program of the League of Cambrai was to expropriate all Venetian territory except for the city itself in its lagoon. By this time Venetian wealth derived more from its land possessions than from its ocean trade, so a loss of the land empire, or terrafirma, would have been a fatal blow. Among the French there were those who wanted to go further: the French general Bayard, whose courage is proverbial in France until this day, proclaimed his desire to destroy the Venetian oligarchy because of their opulent contempt for God and Christendom.
In the spring of 1509, a French army of 20,000 soldiers left Milan and crossed the Adda River into Venetian territory. On May 14, 1509 this French force met and destroyed an evenly matched Venetian mercenary army. The Venetians gave up Verona, Bergamo, Brescia, Vicenza, and even Padova, retreating into the natural fortress of their lagoons. The entire Venetian land empire had been lost in a single day. In one battle, Venice had dropped off the list of European great powers. The Venetians called it a "second Cannae." The Florentine secretary Machiavelli exulted that in one day the Venetians had lost the fruits of 800 years of aggression. The Venetians were able to retake Padova, but had to defend it against the German Emperor and 100,000 troops. The modern era had indeed begun.
Only twice before had the Venetians been in such dire straits. They had been besieged in the lagoons in 810 AD by King Pepin of France, the heir of Charlemagne, and again by the Genoese during the war of Chioggia in 1379.
To multiply the catastrophe, a few months before, the Venetians had received news of the naval battle of Diu in which an Egyptian fleet supported by Indian princes had been wiped out by the Portuguese navy. The old Venetian monopoly in the spice trade with the east was now a dead duck.
At first the Venetians, now under siege in their lagoons, were totally isolated. Then it turned out that they did have a friend: the new King of England, Henry VIII. Advised by Cardinal Woolsey and the Cecils, Henry VIII urged Pope Julius to betray the League of Cambrai, and ally with Venice. When Julius first found that Henry VIII was supporting Venice, he was furious. Julius told the English ambassador: "You Englishmen are all scoundrels." But soon it was clear that Julius was not so far from Henry's position. Henry also offered the Venetians a loan, and signed a friendship treaty with them.
Julius II della Rovere now switched sides, and by February, 1510 Julius was the ally of Venice in exchange for territorial cessions and some bribes. In the summer of 1510 the French and Imperial forces reached the lagoons a second time, but their flank was attacked by Julius, and Venice was preserved. Julius II must bear the historical responsibility of permitting the survival of Venice and thus of oligarchy into the modern world.
1511 brought a third Franco-Imperial offensive, which once again reached the shores of the lagoons. Now Spain followed Julius and joined the Venetian-Papal alliance against France and the Empire. Henry VIII also joined this Holy League as a pretext for attacking France.
In the spring of 1512 came a new shift: the Emperor Maximilian decided to join Venice, the Pope, and Spain against the French. The Venetians took advantage of this, re-occupying their battered land empire for the third time.
In February, 1513 Julius II della Rovere, who had made possible the survival of oligarchy into the modern world, finally died. About a month later the Venetians, desperately maneuvering to avoid being despoiled by their nominal allies, sealed an alliance with France. Venice now faced the attacks of the Spanish general Cardona. From the top of their bell towers the Venetians watched as the Spaniards burned the towns along the edge of the lagoon, and fired their cannon toward the city itself. Venice was on the verge of perdition for the fourth time, but Cardona had to retreat.
The war dragged on through 1514. In September, 1515 the French and the Venetians finally won the key battle of Marignano. After that only Verona remained in the hands of the German Imperial forces, and Venice and the Emperor Maximilian finally signed a peace in 1517. In the same year of 1517, a desperate Venetian wartime operation masterminded by Gasparo Contarini bore fruit when Luther nailed his theses to the door of Wittenberg cathedral. From this point on, religious conflicts between Catholics and Protestants in Germany and elsewhere would begin to relieve the immediate pressure on Venice. Venice was 5 million ducats in debt. For 8 years Venice had been devastated by the endless maneuvers of huge armies. Only the wars of religion, reformation and counter- reformation, saved Venice from being finally crushed.
Venice had survived. There remained the question as to how this small and weak state could hope to impose its oligarchical axioms on future humanity. Part of the answer was the metastasis of the Venetian oligarchical cancer to take over a large modern state. For this the Venetians eventually chose England, the power that had been most friendly during the late war.
But the roots of Venetian and Byzantine influence in England were

much deeper. The Danish Viking invaders who opposed Alfred were instruments of the Byzantine Empire, whose influence reached Scandinavia along the Varangian way through Russia. The Norwegian army that invaded England in 1066 was commanded by a Byzantine general, Harold Hardrada. During the 1200's Henry III of England was bankrupted by loans masterminded by the Venetians. When Edward III started the Hundred Years' War against France around 1340, he was an instrument of Venice, since the Venetians wanted to prevent France from interfering with their wars against Genoa. The Wars of the Roses had been fought by factions manipulated by the Venetians, who viewed Wat Tyler's rebellion and Wycliff's Lollards as a dress rehearsal for Luther. Venetian factions were dominant at the court of Henry VIII. So the Venetians moved their family fortunes and their characteristic world outlook to England.

But the move to England and the creation of a British Empire were only part of the answer. As long as the forward motion of Renaissance science continued, the Venetians, the British, and all the others would be forced to imitate it and duplicate it, on pain of being militarily defeated. But the irrational domination of oligarchs could not coexist with continuous progress in science and technology. The Venetians could not simply attack science from the outside. They needed to seize control of science and corrupt science from within.

This task fell to the Venetian intelligence leader Paolo Sarpi, who lived from 1552 to 1623. Sarpi became one of the most famous persons in Europe through his role as Venetian propaganda boss during the Pope's Interdict against Venice in 1606-1607. Sarpi authored the assassination of King Henry IV of France in 1610. And, with the help of his assets at the court of Frederick V in Heidelberg, Sarpi was decisive in starting the Thirty Years' War, which killed half of the population of Germany and one third of the population of Europe as a whole.

Yet, Sarpi's most lasting achievement is the launching of the European Enlightenment, including both the Bacon- Hobbes- Locke- Newton- Berkeley- Hume English empiricism and the Descartes- Voltaire- Rousseau- French Encyclopedia school. Sarpi was one of the greatest corrupters of science and philosophy.

Sarpi was a Servite monk of modest origins who rose to be number two in his order. Early in life, he became an admirer of William of Ockham, one of the stupidest of the medieval nominalist philosophers. Sarpi was also a follower of Pomponazzi, the Venetian professor who argued that man has no soul.

Sarpi lived in Rome and knew the main personalities of the Counter- Reformation, including Carlo Borromeo, Roberto Bellarmino, Pope Sixtus V, and the future Pope Urban VII. Sarpi soon became a creature of the Contarini and Morosini families, who were committed to the Venetian metastasis into northern Europe. The Contarini- Morosini faction, called the Giovani party, became dominant in Venice during the 1580's. Sarpi became, in the words of the papal nuncio, the boss of half of Venice, and ran a salon for Calvinists and libertines which the Vatican attacked as an "academy of errors."

The leading British authority on Sarpi is H.R. Trevor-Roper, now Lord Dacre, who calls the friar an "indefatigable polymath" or master of all the sciences. In reality, Sarpi was the chief corrupter of modern science, the greatest charlatan of all time. It is his doctrines which are taught in the universities today.

In astronomy and physics, Sarpi was the case officer who directed the work of the Padua professor Galileo Galilei. Galileo wrote that Sarpi was a mathematician unexcelled in Europe, and contemporaries recognized that Sarpi had been the adviser, author, and director of Galileo's telescope project. Galileo's observations were done from Sarpi's monastery. The telescope itself had been invented by Leonardo. Galileo was until the end of his life a paid agent of the Sarpi group.

Sarpi also tried to build up a reputation as an expert on magnetism, which fascinated him because of its magical overtones. In this he was praised by G.B. della Porta, the author of Magia Naturalis. Sarpi was also famous as a mathematician, and probably wrote a treatise of mathematics which was lost when his monastery burned in 1769. Sarpi had studied the French mathematician Francois Viete. In anatomy, the Venetians attempted to prove for many years that Sarpi had been the first to discover the valves in human veins, and even that he had been the first to describe the circulation of the blood, well before Harvey.

Sarpi wrote A History of the Council of Trent, and his influence on historiography has been immense. John Milton is the English author who praises Sarpi at the greatest length. Milton used Sarpi as a major source, and praised him as the "great unmasker" of the papacy. Edward Gibbon, the author of The Decline and Fall of the Roman Empire, was the leading historian of the British Venetian Party during the eighteenth century. In his great tome, Gibbon wrote: "Should Rome and her religion be annihilated, [Sarpi's] golden volume may still survive, a philosophical history and a salutary warning." Lord Thomas Babington Macaulay, the Venetian Party historian of the nineteenth century, was also an admirer of Sarpi. For today's Lord Dacre/Trevor- Roper, Sarpi was simply the greatest among all Catholic historians. So Sarpi was indeed a prodigy among oligarchs.

But what of Sarpi the philosopher? Sarpi never published a work of philosophy, but the Venetian archives were found to contain his philosophical manuscripts, the "Art of Thinking Well" (Arte di Ben Pensare) and the "Thoughts" (Pensieri), which were published in 1910 and again more fully in 1951. Here we find that Sarpi created the basis of modern empiricism. His method was to assert that scientific truth was to be found not in Aristotle, but rather written in mathematical characters in the great book of life. The way to get this truth was to use sense certainty, exactly as Aristotle had recommended. Many of Aristotle's specific conclusions could be junked, but his method and thus his overall domination could be preserved.

Francis Bacon and Thomas Hobbes both understood Italian. They and their protector, the Earl of Devonshire, corresponded with Sarpi and his group, with Hobbes doing the translation. Hobbes visited Venice in September, 1614 and probably met Sarpi. Bacon's inductive method is simply a bowdlerization of Sarpi.

Hobbes belonged to the Sarpi networks all his life. The plan for Hobbes' career as a writer emerged from his meeting with Galileo in 1636, when Galileo suggested that Hobbes write a book of ethics according to the mathematical- geometrical method. All his life Hobbes went around blathering that motion was the only thing that mattered. One of Sarpi's Pensieri reads: "From the weakness of man derives his characteristic of living in society, but from man's depravity derives the need to live under a supreme authority…." [405] This, along with Sarpi's favorite theme of church-state conflict, is the substance of Hobbes' Leviathan. When Hobbes lived in Paris during the English civil war, he rubbed elbows with Venetian assets like Mersenne, Descartes, and Gassendi. Hobbes and Descartes quarreled, but also partied together.

Then there is the question of Locke. Lord Macauley and other English writers treat Sarpi as one who anticipated Locke. In reality, Locke was a plagiarist of Sarpi. And for this we have the testimony of no less a personage than a mid-eighteenth century doge of Venice, Marco Foscarini. The doge writes that Sarpi's "Art of Thinking Well" is "the original from which Locke copied."

Locke's first book argues that the mind is a blank slate without any inborn or innate ideas. This meshes exactly with Sarpi, who with Aristotle and Pomponazzi tries to show that nothing enters the mind except through the senses. The corollary of this is that there is no human soul.

"Every body which moves operates on what it touches," is Sarpi's point of departure. Sarpi "shows how external objects operate on our senses, distinguishing between the object which creates the sensation and the sensation itself." The sensations we feel are not qualities of the objects, but phenomena of our intellect. The senses deliver the sensations through the nervous system. Then discursive reasoning or the active intellect comes into play with ideas of number and size. The discursive reasoning orders, combines, and compares sense-ideas which have been stored in memory.

This is all closely parallel to Locke's second book. In "Art of Thinking Well," Sarpi writes that "knowledge by experience is of greater certainty than knowledge through reason, and no reason can ever manage to equal experience." Locke's second book states that all our knowledge is founded on and derives itself from experience. Experience comes from sensation or from reflection, reflection on the sense impressions already stored in the brain. Sarpi also discusses reflection, distinguishing between cognition and later reflection on that same cognition.

Sarpi admits compound ideas, made up of more than one simple sense impression, and so does Locke. Sense impressions in general do not err, says Sarpi, although sometimes impaired vision and the like will cause distortions, and discursive reasoning can become confused. Locke's second book has similar remarks, with a discussion of color blindness. Both devote space to methods for fixing mistakes in processing sense ideas.

Sarpi argues that the intellect orders ideas according to notions of genus, species, and essence. For Locke, "all the great business of genera and species, and their essences… amounts to no more than

this: That… men… enable themselves to consider things in bundles….” [II.31] From these bundles, Sarpi goes on to definitions and then to axioms (ipolipsi). Locke prefers to address axioms as maxims, and he argues that they are of limited utility, serving mainly to win debates. Sarpi is even more pessimistic, asserting that knowledge is actually harmful, and that animals are better off in their natural ignorance than we are.
Sarpi and Locke also agree on the value of syllogisms, which they also consider to be quite limited. Sarpi warns that syllogisms can often be perverse in form. Locke, wanting to show that he is fully modern and in no way a scholastic or schoolman, also denies every claim made for the syllogism – although he hastens to add that this does not in the least diminish the prestige of Aristotle.
Sarpi ends with some notes on language, saying that words were invented not to identify things, but rather the ideas of the speaker. Locke reproduces this argument in toto, stating that “…all words… signify nothing immediately but the ideas in the mind of the speaker.” [II.32] Sarpi regards words as sources of confusion and errors, as does Locke.
Most of Locke’s modern editors and biographers make no mention of Sarpi. But the catalogue of Locke’s library shows a lively interest in the Venetian. Locke owned Sarpi’s works in 6 volumes, Sarpi’s histories of the Council of Trent and of the Inquisition, Sarpi’s Italian letters, his history of Pope Paul IV, plus Micanzio’s first biography of Sarpi, for a total of 13 books
Sarpi uses 22 pages, while Locke requires just short of 1000. But there is no doubt that Sarpi, whatever his obscurity, is the founder of modern British empiricism and as such the chief philosophical charlatan of the British Empire and the English- speaking peoples, including many Americans today. In this way, Sarpi has become the most popular and influential thinker of the modern world. The dead hand of Paolo Sarpi is reaching out of his sarcophagus once again, threatening to throttle world civilization.

The British:

How the Venetian System Was Transplanted Into England

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The oligarchical system of Great Britain is not an autochthonous product of English or British history. It represents rather the tradition of the Babylonians, Romans, Byzantines, and Venetians which has been transplanted into the British Isles through a series of upheavals. The status of Britain as the nation foutué of modern history is due in particular to the sixteenth and seventeenth century metastasis into England and Scotland of the Venetian oligarchy along with its philosophy, political forms, family fortunes, and imperial geopolitics. The victory of the Venetian party in England between 1509 and 1715 built in turn upon a pre-existing foundation of Byzantine and Venetian influence.
NOBLE VENETIAN: …pray tell us what other prerogatives the King [of England] enjoys in the government; for otherwise, I who am a Venetian, may be apt to think that our Doge, who is called our prince, may have as much power as yours.
Henry Neville, Plato Redivivus, 1681
One of the best governments in English history was that of King Alfred the Great, who ruled from 871 to 899. Alfred pursued a policy of literacy, education, and nation-building, and stands as a founder of Old English literature. The Byzantine Empire saw in Alfred a flare-up of the Platonic Christian humanism of the Irish monks and Alcuin of York, the principal adviser to Charlemagne a century earlier. Byzantium accordingly incited Vikings and Varangians, who had been defeated by Alfred the Great, to renew their attacks on England.
Then, in 1066, two armies converged on England. The first was the Norwegian army of King Harold Hardrada (”the pitiless”), a Byzantine general who had served as the commander of the Imperial Guard in Constantinople. Harold Hardrada was killed by the English at Stamford Bridge in 1066. But in that same year the weakened English forces were defeated at Hastings by William of Normandy (”the Conqueror”). Thus began the Norman Yoke, imposed by Norman oligarchs and a century of Norman kings.
The next dynasty, the Plantagenets, featured such figures as Richard I Lionheart, a flamboyant homosexual who avidly participated in the Venetian- sponsored Crusades in the eastern Mediterranean. The Magna Carta extorted from Richard’s successor King John in 1215 had nothing to do with political liberties in the modern sense, but protected the license of marauding feudal barons against the central monarchy. The enforcement machinery of the Magna Carta permitted the barons lawfully to wage war upon the King in case their grievances were not settled. Since civil war and private warfare were by far the greatest curses of society at that time, England was held hostage to parasitical feudal overlords that a more centralized (or “absolute”) monarchy might have mitigated. The barons, whose sociopathic prerogatives were anchored in the Magna Carta by a license for civil war, were easily the most reactionary element in English society, and were susceptible to easy manipulation by Venice, which had now conquered Byzantium and was approaching the apogee of its power.
Venetian influence in England was mediated by banking. Venetian oligarchs were a guiding force among the Lombard bankers who carried out the “great shearing” of England which led to the bankruptcy of the English King Henry III, who, during the 1250’s, repudiated his debts and went bankrupt. The bankruptcy was followed by a large- scale civil war.
It was under Venetian auspices that England started the catastrophic conflict against France known today as the Hundred Years’ War. In 1340, King Edward III of England sent an embassy to Doge Gradenigo announcing his intention to wage war on France, and proposing an Anglo-Venetian alliance. Gradenigo accepted Edward III’s offer that all Venetians on English soil would receive all the same privileges and immunities enjoyed by Englishmen. The Venetians accepted the privileges, and declined to join in the fighting. Henceforth, English armies laying waste to the French towns and countryside would do so as Venetian surrogates. France was in no position to interfere in the final phase of the rivalry between Venice and Genoa, which was decided in favor of Venice. The degeneracy of English society during these years of Venetian ascendancy is chronicled in the writings of Chaucer – the greatest English writer of the age – who was an ally of the anti-Venetian Dante- Petrarca- Boccaccio grouping.
The Venetians concocted myths to enhance their influence on English society. For the nobility and the court, there was the anti-Christian myth of King Arthur and his Round Table of oligarchs seeking the Holy Grail. For the mute and downtrodden masses, there was the myth of Robin Hood, who by robbing from the rich to give to the poor combined plunder with class struggle.
During the wartime 1370’s, the population of England collapsed by 1.5 million souls, from a total of 4 to 2.5 million, because of the Black Death, which itself resulted from Venetian debt service policies. The year 1381 saw an uprising in London and southeast England on a program of abolishing feudal dues, free use of forests, and an end to the tithes or taxes collected by the church. This was called Wat Tyler’s rebellion, which ended when Wat was killed by the Mayor of London. Contemporary with this was the rise of Lollardry, the prototype of English Protestantism promoted by John Wycliffe, the Oxford scholastic. Wycliffe’s anti-clerical campaign had many easy targets, but his theology was inferior and his stress on every person’s right to read and interpret the Bible was designed to spawn a myriad of fundamentalist fanatics.
Lollardry as a social phenomenon had a specific Venetian pedigree, best seen through the prevalence among the Lollard rank and file of the belief that the soul is not immortal and dies with the body. This is the mortalist heresy, and can more accurately be called the Venetian heresy, because of its deep roots within the Venetian oligarchy. Later, beginning in the early sixteenth century, the University of Padua and Pietro Pomponazzi were notorious for their advocacy of mortalism.
In 1377 Wycliffe was saved from prosecution by an uprising of the London mob. Lollardry kept going for centuries as an underground religion for the disinherited kept going by itinerant preachers. During Queen Elizabeth’s time, Lollardry lived in the form of sects called the Familists and the Grindletonians. These finally flowed into the Puritan Revolution of the 1640’s. Lollardy contained a strong dose of primitive socialism; Lollard leaders like John Ball and “Jack Straw” preached social revolution with slogans such as, “When Adam delved and Eve span, Who was then the gentleman?” This is the ultimate source of that communism which David Urquhardt taught Karl Marx five centuries later. Finally, Lollardry

spread into central Europe through the medium of the Hussites of Bohemia and caused a series of wars of religion there. In seventeenth- century England there was a slogan to the effect that Wycliffe begat Hus, Hus begat Luther, and Luther begat truth. There is every reason to view the Lollards as a Venetian pilot project for Luther's 1517 launching of the Reformation during the war of the League of Cambrai.

The English defeat in the Hundred Years' War (1453) left English society in a shambles. This was the setting for the oligarchical chaos and civil war known as the Wars of the Roses, which pitted the House of York with its symbol the white rose against the House of Lancaster with its red rose. Both groupings derived from quarrels among the seven sons of the pro-Venetian Edward III, who had started the wars with France. The Wars of the Roses, fought between 1455 and 1485, brought English society to the point of breakdown.

From this crisis England was saved by the coming of Henry Tudor, the Earl of Richmond, who became king as Henry VII. It was under Henry VII that England began to become a modern state and to participate in the Renaissance progress associated with Medici Florence and the France of Louis XI. The precondition for the revival of England was the suppression of the pro-Venetian oligarchy, the barons. Conveniently, these had been decimated by their own handiwork of civil war. Henry VII set himself up as the Big Policeman against the oligarchs. Henry VII established for the central government an effective monopoly of police and military powers. One of the reasons for the great ineptitude demonstrated by both sides in the English Civil War of the 1640's is that under the Tudors the nobility and gentry had largely forgotten how to wage civil war.

Like that of Louis XI, Henry VII's policy was based on an alliance of the crown with the urban trading and productive classes against the latifundist barons. Barons were excluded from the state administration, which relied rather on city merchants who were much more likely to be loyal to the king. Since the oligarchs routinely intimidated local courts, Henry VII gave new prominence to the court of the Star Chamber, a special royal court designed to impose central authority on the barons. The private armies of oligarchs along with other bandits and pirates were liquidated.

Henry VII was an active dirigist, promoting trading companies to expand overseas commerce. Under the Tudor state, England existed as a nation, with relative internal stability and a clear dynastic succession.

Henry VII's suppression of the oligarchs displeased Venice. Venice also did not like Henry's policy of alliance with Spain, secured by the marriage of his heir to Catherine of Aragon. Henry VII in fact sought good relations with both France and Spain. The Venetians wanted England to become embroiled with both France and Spain. Venice was also fundamentally hostile to the modern nation-state, which Henry was promoting in England. When Henry VII's son Henry VIII turned out to be a murderous pro-Venetian psychotic and satyr, the Venetians were able to re-assert their oligarchical system.

Henry VIII was King of England between 1509 and 1547. His accession to the throne coincided with the outbreak of the War of the League of Cambrai, in which most European states, including France, the Holy Roman Empire (Germany), Spain, and the papacy of Pope Julius II della Rovere joined together in a combination that bid fair to annihilate Venice and its oligarchy. The League of Cambrai was the world war that ushered in the modern era. Henry VIII attracted the attention of the Venetian oligarchy when he – alone among the major rulers of Europe – maintained a pro-Venetian position during the crisis years of 1509-1510, just as Venice was on the brink of destruction. Henry VIII was for a time the formal ally of Venice and Pope Julius. The Venetian oligarchy became intrigued with England.

In 1527, when Henry VIII sought to divorce Catherine of Aragon, the Venetian-controlled University of Padua endorsed Henry's legal arguments. Gasparo Contarini, the dominant political figure of the Venetian oligarchy, sent to the English court a delegation which included his own uncle, Francesco Zorzi. The oligarch and intelligence operative Zorzi, consummately skilled in playing on Henry's lust and paranoia, became the founder of the powerful Rosicrucian, Hermetic, cabalistic, and Freemasonic tradition in the Tudor court. Later, Henry VIII took the momentous step of breaking with the Roman Papacy to become the new Constantine and founder of the Anglican Church. He did this under the explicit advice of Thomas Cromwell, a Venetian agent who had become his chief adviser. Thomas Cromwell was Henry VIII's business agent in the confiscation of the former Catholic monasteries and other church property, which were sold off to rising families. Thomas Cromwell thus served as the midwife to many a line of oligarchs.

Under the impact of the War of the League of Cambrai, the Venetian oligarchy realized the futility of attempting a policy of world domination from the tiny base of a city-state among the lagoons of the northern Adriatic. As was first suggested by the present writer in 1981, the Venetian oligarchy (especially its "giovani" faction around Paolo Sarpi) responded by transferring its family fortunes (fondi), philosophical outlook, and political methods into such states as England, France, and the Netherlands. Soon the Venetians decided that England (and Scotland) was the most suitable site for the New Venice, the future center of a new, world-wide Roman Empire based on maritime supremacy. Success of this policy required oligarchical domination and the degradation of the political system by wiping out any Platonic humanist opposition.

The overall Venetian policy was to foment wars of religion between the Lutherans, Calvinists, and Anglicans on the one hand, and the Jesuit-dominated Catholic Counter- reformation of the Council of Trent on the other. The Venetians had spawned both sides of this conflict, and exercised profound influence over them. The Venetians insisted on the maintenance of a Protestant dynasty and a Protestant state church in England, since this made conflict with the Catholic powers more likely. The Venetians demanded an anti-Spanish policy on the part of London, generally to energize the imperial rivalry with Madrid, and most immediately to prevent the Spanish army stationed in Milan from getting an opportunity to conquer Venice.

The destruction of the English mind was fostered by the Venetians under the banner of murderous religious fanaticism. Under Henry VIII, the English population continued in their traditional Roman Catholicism, which had been established in 644 at the synod of Whitby. Then, in 1534, Henry's and Thomas Cromwell's Act of Supremacy made the Roman Pope anathema. Those who refused to follow Henry VIII down this path, like St. Thomas More and many others, were executed. This first phase of Anglicanism lasted until 1553, when the Catholic Queen Mary I ("Bloody Mary," the daughter of Henry VIII and Catherine of Aragon) took power. Mary re-established Papal authority and married King Philip of Spain. Bloody Mary's main adviser in her proscriptions was Cardinal Reginald Pole, who had lived in Venice for some years and was part of the immediate circle around Gasparo Contarini. Henry VIII had feared Pole, an heir to the Plantagenets, as a possible pretender, and Pole had done everything to excite Henry's paranoia. Pole incited Bloody Mary to carry out a bloodbath with 300 to 500 prominent victims. These executions of the "Marian martyrs" were immortalized in John Foxe's celebrated Book of Martyrs (1554 ff.), a copy of which was later kept in every church in England and which attained the status of a second Bible among Protestants of all types. The events orchestrated by Pole seemed to many Englishmen to prove the thesis that a Catholic restoration would threaten their lives and property.

Bloody Mary died in 1558 and was succeeded by Elizabeth I, the daughter of Henry VIII and Anne Boleyn. From the Catholic point of view Elizabeth was a bastard, so it was sure that she would rule as a Protestant. Elizabeth forcibly restored her father's Anglican or Episcopal Church.

Three times within the span of 25 years the English population was thus coerced into changing their religion under the threat of capital punishment. Three times, the supposedly eternal verities taught by the village parson were turned upside down, clearly because of dynastic ambition and raison d'état. The moral, psychological, and intellectual destruction involved in this process was permanent and immense.

Elizabeth's anti-Catholic and anti-Spanish policies fulfilled the basic Venetian imperatives. The struggle against the Spanish Armada in 1588 also gave these policies an undeniable popularity. Elizabeth was for 40 years under the influence of William Cecil, whom she created First Baron of Burleigh and Lord Treasurer. The Cecils were notorious assets of Venice; their ancestral home at Hatfield house was festooned with Lions of St. Mark. When William Cecil was too old to act as Elizabeth's controller, he was succeeded by his son Robert Cecil, the 1st Earl of Salisbury. The Venetian-Genoese Sir Horatio Pallavicini was an important controller of English state finance.

Elizabeth's economic policies had strong elements of dirigism and mercantilism. The numerous industrial monopolies she promoted had the result of establishing new areas of production in the country. Cecil developed the merchant marine and the navy. There were taxes to support those unable to work, and a detailed

regulation of jobs and working conditions. Many of these successful measures were coherent with the Venetian desire to build up England as the new world empire and as a counterweight to the immense power of Spain.

At the death of Elizabeth, Robert Cecil masterminded the installation of the Stuart King of Scotland as King James I of England. Cecil was for a time James' key adviser. James I was a pederast and pedant, an individual of flamboyant depravity, an open homosexual who made his male lovers into the court favorites. In addition to pederasty, James aspired to tyranny.

James I was a leading theoretician of the divine right of kings. He delivered long speeches to the parliament, telling the wealthy latifundists and the Puritan merchant oligarchs of London that they could as little tell him what to do as they could tell God what to do. Policy, said James, was "king's craft" and thus "far above their reach and capacity." James I was an enthusiastic supporter of Paolo Sarpi in Sarpi's 1606 struggle against the Papal Interdict. James I did this in part because he thought he had received his crown directly from God, without any mediation by the Pope. Venetian influence at the Stuart court was accordingly very great. Sarpi even talked of retiring to England.

James was also an occultist. Shakespeare left London not long after the coming of James, and died after unwisely sitting down to drinks with the Aristotelian hack Ben Jonson.

James's feeble pro-Spanish appeasement policy bitterly disappointed Paolo Sarpi, Cecil's boss and the leading Venetian intelligence chief of the era. James made peace with Spain in 1604, ending 19 years of war. Cecil then tried to induce James into an anti-Spanish policy with a planned provocation – Guy Fawkes and the Gunpowder plot of 1605. Sarpi schemed to unleash the Thirty Years' War (1618-1648) as an apocalyptic confrontation between Protestant and Catholic Europe, and he wanted England in the fray. James's adviser, Sir Francis Bacon of the Cecil family, urged James to enter the war against Spain and Austria, but James first attempted to mediate the conflict and then did nothing. Charles I was equally disappointing: He married the Catholic Princess Henrietta Maria of France, and helped France to defeat the French Calvinists or Huguenots – a Venetian asset – in their stronghold of LaRochelle.

The early Stuarts were unable to assert England as a great power because war required taxes, and taxes required the vote of Parliament, which they did not wish to convoke, since it would undercut their claims of divine right. Between 1628 and 1639, Charles I attempted to rule as an autocrat, without calling a Parliament. English naval power grew so weak that even ships bringing coal coastwise from Newcastle upon Tyne to London were not protected from pirates. This outraged the City of London and its Puritan merchants, followers of doctrines derived from Calvin of Geneva.

With their tirades about their own divine right, the early Stuarts were violating a cardinal point of the Venetian political code. Venice was an oligarchy ruled by, at most, a few thousand male nobles. In practice, power belonged to several dozen patrician leaders. But no single patrician was strong enough to dominate all the rest as dictator. The Grand Council (Maggior Consilgio) was the general assembly of the nobility, and elected the Senate or Pregadi. The Grand Council, using a complicated procedure, also elected the Doge or Duke, who occupied the highest post in the state. The Doge was accordingly an elected and limited executive who served for life. This office was never hereditary; when one Doge died, a new one was elected by the Maggior Consiglio. The Doge was surrounded by his cabinet or Collegio, including the ministers (savi) of various departments. Under this system, the Doge was not the leader of a nation and the protector of all the people, as an absolute monarch might be; he was the chief functionary of a consortium of noble families who owned and ran the state for the private profit of their own fondi. For the Venetians, an oligarchy required the weak executive power of a Doge, and this was the system they wanted transplanted into their clone, England.

These issues were prominent in seventeenth-century Europe. Louis XIV of France in his better moments exemplified the benefits of centralistic absolutism, as directed against the pro-Venetian French nobles responsible for the civil wars of the Fronde and the wars of religion. Colbert pursued economic unification by wiping out local interests intent on collecting parasitical taxes. Louis compelled the great nobility to be towel-boys and fixtures at Versailles, while the French departments were ruled by Intendants sent by the king. A little later, in Russia, some of the same issues were fought out between the centralizing absolutist Peter the Great and the great latifundist nobles, known in Russia as the boyars. Real economic and social development was best served by breaking the power of the aristocracy. England, by contrast, was the country where the triumph of the oligarchs was eventually most complete. (This is even clearer if we bear in mind that the English gentry and squires correspond to the level of count in the continental titled aristocracy.) The English gentry were determined that they, and not intendants from the government in Whitehall, would rule in the shires.

When Charles I was forced to call a Parliament in 1640 because he needed money, a conflict between oligarchy and monarchy developed. The House of Commons theoretically represented men with property capable of bringing in 40 shillings per year; this was the threshold of free subjects who had a stake in the state. The Commons were elected by about one-tenth of the people of England. The House of Lords was full of latifundists, but it was estimated that the landowners and merchants of the House of Commons were rich enough to buy the House of Lords three times over. Parliamentary leaders like Pym and Hampden wanted to establish an oligarchy by the surrender of the King to Parliament so they could build up a navy and hasten the looting of the Spanish Empire in the Caribbean. They wanted a more vigorous pursuit of the slave trade. Pym and Hampden asserted Parliamentary authority by passing bills of impeachment and attainder against royal favorites like Strafford and Archbishop Laud, the head of the Church of England, who were both executed. In 1641, Charles I tried to arrest Pym and Hampden. The pro-Venetian City of London, the ports, and the south and east of England rebelled against this botched coup by the stupid King, who fled north. The English Civil War, or Puritan Revolution, was on. Many English were appalled by the miserable level of leadership and wretched programs of both the sides. A contemporary wrote that many people tried to remain neutral because they thought that "both sides raised an unlawful war, or …could not tell which (if either) was in the right…." The civil war was artificially imposed by two rival London cliques, both under Venetian influence.

England would be the only major European country in which a war of religion would be fought between two pro-Venetian Protestant factions – the Anglican royalist cavaliers and the Parliamentary Puritan Roundheads. One result would be the liquidation of the remaining positive and dirigist features of the Tudor state.

During the first phase of the civil war, (1642-1646), there emerged two factions among the Parliamentarian Roundheads. A more conservative group favored a limited, defensive war against Charles I, followed by a negotiated peace. They hoped to defeat Charles by using a foreign army, preferably the Scottish one, in order to avoid arming the English lower orders. The Scots demanded for England a Presbyterian state church on the model of their own kirk – run by synods of Calvinist elders – but that was what the majority of the Long Parliament wanted anyway. So this faction came to be called the Presbyterians. Among them were the Calvinist town oligarchy of London.

The other group wanted total war and eventually the execution of the King and the end of the monarchy and the House of Lords. This group was willing to accept a standing army of sectarian religious fanatics in order to prevail. This group was called the Independents or Congregationalists. They were favored by Venice. Oliver Cromwell emerged as the leader of this second group.

Oliver Cromwell was a Venetian agent. Prominent in Oliver Cromwell's family tree was the widely hated Venetian agent Thomas Cromwell (1485-1540), Earl of Essex and the author of Henry VIII's decision to break with Rome and found the Church of England. Oliver Cromwell (1599-1658) was descended from Thomas Cromwell's sister. Oliver Cromwell's uncle had married the widow of the Genoese- Venetian financier Sir Horatio Pallavicini. This widow brought two children by her marriage to Pallavicini and married them to her own later Cromwell children. So the Cromwell family was intimately connected to the world of Venetian finance. One of the leading figures of Parliament, John Hampden, was Oliver Cromwell's cousin. Cromwell's home was in the Fens, the large swamp in eastern England. The swamp- dwelling Venetians, true to form, came to choose another swamp- dweller as their prime asset of the moment.

Cromwell ridiculed the weakness of the Parliamentary army, which he said was made up of "decayed tapsters" (elderly waiters). Cromwell's own Ironsides regiment was made up of relatively well-off cavalrymen of heterodox religious views. This regiment was highly effective against the Royalist or Cavalier forces. The Ironsides contained numerous Independents. It also contained many of the more extreme sects. Some of the most important roots of modern communism can be found in the sects represented in

Cromwell's Ironsides.
After 1640, the censorship of printed books practically collapsed. The church courts, which prosecuted crimes like heresy and blasphemy broke down. Especially in the City of London, but also in the countryside, a lunatic fringe of radical religious sects began to gather followers. What boiled up reflected the pervasive influence of Venetian kookery in England going back to Wycliffe. Ideas came to the surface which went back to Francesco Zorzi and Edmund Spenser, to Francis Bacon, Robert Fludd, and Bernardino Ochino, one of Contarini's Italian Protestants or spirituali who had been active in London around 1550 under Edward VI.
There were the Levellers, radical democrats of the Jeffersonian or sans culotte type, who wanted to expand the franchise for Parliamentary elections – although they would have left half or more without the vote. Apprentices, laborers, and servants would remain disenfranchised. Levellers wanted no monarchy, no House of Lords, no monopolies, no tithes, and no state church. Their petitions sound well today, but so do parts of the Jacobin Club's Declaration of the Rights of Man. Among the Leveller leaders were John Lilburne, Richard Overton, and Sir John Wildman. The latter two were double agents, taking money from Royalists as well as from Thurloe, the director of Cromwell's secret police.
Sir John Wildman was a land speculator and an agent of the Duke of Buckingham (as Pepys's diary tells us). He plotted against every regime from Cromwell to William III. He was a member of Harrington's Rota Club, a nest of Venetian agents in 1659-1660. He appears as a classic type of Venetian provocateur. Richard Overton was the author of the tract Mans Mortalitie, which argues that the soul dies with the body – the Venetian heresy once again. As for Lilburne, he died in jail after becoming a Quaker.
In 1647, with the Royalist forces wiped out, the Presbyterian faction tried to disband the army, and the Levellers responded by electing Agitators – in effect, political commissars – for each regiment. But the Leveller movement was soon crushed by Cromwell.
Other groups owed their continued existence to the pro-toleration policies of the Ironsides, which Cromwell often respected. There were the True Levellers or Diggers, with Gerard Winstanley as main spokesman. Winstanley supported mortalism, the Venetian heresy. The Diggers in 1649 began to form communes to squat on land and cultivate it – three centuries before Chairman Mao. Their idea was primitive communism and the abolition of wage labor. Private property they condemned as one of the results of Adam's Fall. Their program was "Glory Here!," the creation of heaven on earth. With the communist, materialist (and some would say, atheist) Gerard Winstanley, we see the Anglo-Venetian roots of the later Marxism financed and directed by Lord Palmerston's stooge David Urquhardt.
Then came the Ranters, devotees of the antinomian heresy, the free love party. The Ranters, many of whom were ex-Levellers, held that sin and the law had been abolished – at least for the elect – leaving mankind with "perfect freedom and true Libertinism." Some of them thought that fornication and adultery were positive religious duties, necessary to enjoy a maximum of grace. Ranter leaders included Laurence Clarkson and Abiezer Coppe. Clarkson supported mortalism, the Venetian heresy. The Ranter John Robins proclaimed that he was God and agitated to lead 140,000 men to conquer the Holy Land – thus foreshadowing later British policy in the Middle East. Ranters were heavily repressed.
The Quakers, a new sect in those days, had not yet made their pacifist turn. Often Ranters became Quakers. Many of them were highly militaristic troopers in Cromwell's New Model Army. Quakers were heavily represented in the English army that carried out Cromwell's genocide against Ireland. But Quaker James Naylor was cruelly punished for blasphemy after he re-enacted at Bristol Christ's Palm Sunday entry into Jerusalem. In 1657, the Quaker leader George Fox criticized the English army because it had not yet seized Rome. Pacifism was adopted only after the Stuart Restoration, in 1661.
The other group that came out of the Ranter milieu was the Muggletonians, led by John Reeve and Lodowick Muggleton, who claimed that they had been commissioned by God in 1652 to serve as the Two Last Witnesses foretold in Revelations 11. Muggletonians supported mortalism, the Venetian heresy; they were also anti-Trinitarians and materialists. If formal positions on theological issues are counted up, John Milton turns out to have been very close to the Muggletonians. The Muggletonians kept going in Britain until about 1970.
The Fifth Monarchists were radical millenarians, believing that the Second Coming and the Rule of the Saints were close at hand – some thought as close as the Barebones Parliament convened under the Commonwealth in 1653. Some Fifth Monarchists in the Barebones Parliament wanted to re-impose the Mosaic law in place of the English common law, and wanted a Sanhedrin of the Saints to assume state power. Diminishing interest in the New Testament was also documented by the official banning around this time of Christmas, Easter, and Pentecost (Whitsunday), which were all condemned as popish idolatry. The roots of the British Israelite movement are clearly revealed.
There were also the Seekers, who thought all existing religions were inadequate; they claimed they were still looking for the right one. One Seeker was Milton's friend and language teacher Roger Williams, later of Rhode Island. Finally, there were the extreme sectaries, parties of one, unable to get along with any of the above. John Milton was an example of these.
These were the Hydra-like components of the army which was Cromwell's power base. Cromwell attacked all the sects at certain times, but leaned heavily on them at other times. But he always relied for his power upon the army, of which the sectarians were the backbone. In 1648, Colonel Pride, acting for Cromwell, expelled from the Long Parliament some 100 of the most Presbyterian members, some of whom had been negotiating under the table with Charles I, by now a captive of the Army. What was left, was called the Rump Parliament. Cromwell then tried Charles I for treason and executed him on 30 January 1649. The Commonwealth was declared and the monarchy abolished.
Cromwell's problem was now to govern a country in which no elected Parliament could countenance the army and its gun-toting sectarian iconoclasts. The Rump, which harbored its own desires of becoming a ruling oligarchy, was dispersed by Cromwell's troops in 1653. The next Parliament, the Barebones, was a hand-picked selection of the godly, many nominated by Independent congregations. The Barebones was modeled as an oligarchy: it chose a Council of State as its own executive, and was supposed to choose its own successors before it disbanded. Instead, Major-General Thomas Harrison of the New Model Army, convinced he was the Son of God, dominated the proceedings. A moderate faction around Major Gen. Lambert caused the dissolution of the Barebones with a coup de main. For many sectaries, Cromwell suddenly went from being the New Moses to being the small horn of the Antichrist.
Cromwell accepted the Instrument of Government, the first written constitution of England. The franchise was restricted, going up from the old 40-shilling freehold to a personal net worth of 200 pounds, which meant much greater wealth. The Parliament was made more oligarchical. Cromwell was named Lord Protector. The Protector was backed up by a Council of State of generals serving for life. The first Protectorate Parliament refused to fund the standing army (now 57,000 troops) and rebelled against toleration (toleration of the sects), so Cromwell dissolved it in January 1655. This was already Cromwell's third dissolution; he would ultimately make it four.
In March 1655, Cromwell decided in favor of a "thorough" Bonapartist military dictatorship. The country was divided into 11 ad hoc districts, and a major-general of the army was put in charge of each district. The major-generals controlled the local militia, ran the courts, appointed all officials, and suppressed public immorality. All of this was done arbitrarily, with little reference to law. At the same time, secretary Thurloe, the Lavrenti Beria of the regime, extended his secret tentacles into every pore of society and into every country of Europe. The rule of the Major-Generals prefigured European fascism. But they alienated many oligarchs who found this interference far worse than that of Charles I.
The second Protectorate parliament was impelled by desperation to pass the Humble Petition and Advice, which urged Cromwell to take up the crown. But it was a doge's crown, a limited monarchy of the House of Cromwell subject to Parliament. Under pressure from the army generals, Cromwell declined the title of king but accepted all the rest. In February 1658, Cromwell dissolved his last Parliament, and died the same year. His son Richard attempted to rule, but left after a few months. 1659-1660 was a time of great chaos, with the restored Rump alternating with direct army rule. Finally, the army split into pieces; the commander of the winning piece, General Monck, joined the new Parliament in recalling Charles II, the son of the executed Charles I.
Observing these events, the pro-Venetian writer John Milton – who had been Latin secretary to Cromwell's Council of State – lamented that the City of London had concluded that "nothing but kingship can restore trade." Milton's "Ready and Easy Way to Establish a Free Commonwealth," issued in March, 1660, proposed a regime based on a Grand Council along explicitly Venetian lines, with life

tenure and co-optation of new members. This could be obtained, Milton thought, by declaring the Rump perpetual and capable of co-opting new members when the old ones died off. Milton had wanted religious tolerance, but he was willing to sacrifice this to obtain an oligarchy without a single-person executive. Milton effusively praised Venice, which had made its "whole aristocracy immovable" with similar methods.

During this time, Milton was close to the Rota Club, a pro-Venetian salon dominated by James Harrington, author of the book Oceana and one of the most important Venetian ideologues in England. Harrington was the direct precursor of the great Whig aristocrats of the Venetian Party who were frequently in power after 1688. Other Rota members included Milton's close friend Cyriack Skinner, the economist Sir William Petty, the intelligence operative Sir John Wildman, the Fifth Monarchist Thomas Venner (who had led and would lead abortive uprisings in London), the diarist Samuel Pepys, and Andrew Marvell, poet and member of Parliament. There was also the Rumper Henry Neville, who propagandized Harrington's views in his political dialogue Plato Redivivus of 1681. There were Sir John Hoskins, later president of the Royal Society, and Richard Sackville, the Fifth Earl of Dorset. Charles II assumed power later in 1660.

Today some members of the British oligarchy are calling for the end of the monarchy and the creation of a republic. We must recall that the last time this was tried, the result was the fascist dictatorship of Oliver Cromwell and his major-generals. A "republic" in Britain in the early 21st century might turn out to be a military dictatorship rather similar to Cromwell's, with animal rights freaks acting the part of the Ranters and Diggers.

So what had the Puritan Revolution accomplished, beyond killing 500,000 persons? First, Cromwell had founded the British Empire. Between 1651 and 1660 he had added 200 warships to the British Navy, more than the early Stuarts had managed to build during their 40-year tenure. Cromwell's war with the Dutch (1652-1654), which hardly made sense for a Puritan, made plenty of sense in the light of the 1,700 Dutch ships captured. Cromwell set up a convoy system for English merchant vessels, including those bringing coal from Newcastle. The basis of British naval domination was thus laid. After making peace with Holland, Cromwell made war on Spain, in exact conformity with Venetian requirements. Cromwell conquered: Jamaica, St. Helena, Surinam, Dunkirk, Nova Scotia and New Brunswick (in Canada). In addition, he established the status of the Portuguese Empire as a satellite and auxiliary of London. It was under Cromwell that English ships established a permanent presence in the Mediterranean; in his last years, he was considering the conquest of Gibraltar to facilitate this stationing. Jamaica, a center of the slave trade, stood out in what was called the Western Design – making war on Spain in the New World.

Cromwell was also personally responsible for the campaign of genocide and starvation in Ireland that began with the 1649 massacre of the garrison of Drogheda. Cromwell told the Parliament that if he waged war according to international law and the rules of war, the campaign would be too expensive. So Cromwell relied on massacres and famine. Cromwell's genocide eventually killed about one-third of the Irish population. Cromwell also invaded and reduced Scotland, which had switched to the Stuart cause in 1649. This laid the basis for the myth of a "British" people as a label imposed on Irish, Scottish, Welsh, and English victims of an oligarchy not of Englishmen, but of Venetians and their tools. Until 1991 there was talk of a "Soviet" people, but this is now nowhere to be found. Perhaps the fraud of a "British" people will also not survive too long.

Cromwell's rule marked the triumph of free trade, as it was understood at that time. All attempts by government to supervise the quality of production, to fix prices, to maintain jobs and employment, to influence labor- management relations, or to influence wage rates were wholly abandoned. The City of London demanded free trade. It got the abolition of all industrial monopolies, which had previously covered some 700 staple products. Laissez-faire was established in every sphere. Whatever the Restoration Stuarts tried to change in this regard was immediately rolled back after 1688.

In the years after Cromwell, it was estimated that cottagers and paupers, laborers and servants, who had no property and no vote, made up half of the population of England. One-third of all English households were exempted from the Hearth Tax because of their poverty. After 1660, wheat prices were kept artifically high because, it was argued, only fear of starvation could coerce the poor into working.

Under the Restoration, the gentry and latifundists had been released from their feudal dues to the King, but there was no protection for small farmers and tenants. By 1700, the family farm was well on its way to being wiped out in England, giving rise to a landless mass of agricultural day laborers. The English countryside was full of de facto serfs without land. Craftsmen and artisans in the towns were increasingly wiped out by merchant oligarchs and bankers. Through this brutal primitive accumulation, England acquired its propertyless proletariat, forced to live by selling its labor. Usury became thoroughly respectable. This is the world described by Karl Marx, but it was created by Anglo-Venetian finance, and not by modern capitalism. What might be called the middle class of small farmers and independent producers was crushed, while Puritan initiatives in popular education were suppressed. English society assumed the bipolar elite-mass structure which is a hallmark of empires. As for oligarchism, it was estimated in the 1690's that Parliamentary elections were under the effective control of about 2,000 men.

Charles II, who had been deeply impressed by his father's death and the civil war, was tolerated by the oligarchy because he had learned the virtue of caution. But Charles II had not given up on his royal prerogatives. During the 1670's, Charles II became the satellite and toady of Louis XIV of France, who paid him a subsidy which he used to circumvent Parliament. This enraged the Venetian Party. By now, the Venetians wanted to use England against the growing power of France, which had supplanted Spain at the top of their hit list. In 1678, Titus Oates alleged a new "popish plot" in which France, and no longer Spain, was the bogey-man. Charles II announced on his death-bed that he was a Roman Catholic, violating another key point of Venetian doctrine. That his brother and successor James II had also become a Catholic had been known and was the center of political battle for some time. The Whig party, the main vehicle of Venetian rule, made its mark at this time as the group most devoted to a Protestant succession to the English throne. James II was also in the pay of the Sun King.

When the Duke of Monmouth, the illegitimate but Protestant son of Charles II, attempted to land and stage an uprising, he was quickly defeated. In response, James II's lackey Judge Jeffries brought his Bloody Assizes court to the southwest of England, and began an orgy of thousands of death sentences. James II was trying to set up a standing army with Catholic officers, and put a Catholic admiral in charge of the Royal navy. Louis XIV's revocation around this time of the Edict of Nantes, which had provided toleration for Protestants, made it appear plausible to some that James II would now attempt to play the role of Bloody Mary.

The Anglo-Venetians decided that they were fed up with the now-Catholic, pro-French and wholly useless Stuart dynasty. Representatives of some of the leading oligarchical families signed an invitation to the Dutch King, William of Orange, and his Queen Mary, a daughter of James II. John Churchill, the future Duke of Marlborough, was typical of James' former supporters who now went over to support William and Mary. William landed and marched on London. This is called by the British the "Glorious Revolution" of 1688; in reality, it consolidated the powers and prerogatives of the oligarchy, which were expressed in the Bill of Rights of 1689. No taxes could be levied, no army raised, and no laws suspended without the consent of the oligarchy in Parliament. Members of Parliament were guaranteed immunity for their political actions and free speech. Soon, ministers could not stay in office for long without the support of a majority of Parliament. Parliament was supreme over the monarch and the state church. At the same time, seats in Parliament were now bought and sold in a de facto market. The greater the graft to be derived from a seat, the more a seat was worth. Within a few years after the Glorious Revolution there was a Bank of England and a national debt. When George I ascended the throne in 1714, he knew he was a Doge, the primus inter pares of an oligarchy.

The regime that took shape in England after 1688 was the most perfect copy of the Venetian oligarchy that was ever produced. There was a flare-up of resistance during the reign of Queen Anne because of the activity of the Tory Robert Harley and his ally Jonathan Swift; there was also the threat that the Hanoverian succession might bring Leibniz into England. Otherwise the Venetian Party was broadly hegemonic, and Britain was soon the dominant world power. The English masses had been so thoroughly crushed that little was heard from them for one and one half centuries, until the Chartist agitation of the 1840's. The franchise was not substantially expanded until after the American Civil War, with industrial workers getting the vote in 1867 and farm laborers allowed to cast ballots in 1884.

The struggles of seventeenth- century England were thus decisive

in parlaying the strong Venetian influence which had existed before 1603 into the long-term domination by the British Venetian Party observable after 1714. These developments are not phenomena of English history per se. They can only be understood as aspects of the infiltration into England of the metastatic Venetian oligarchy, which in its British Imperial guise has remained the menace of mankind.

The British Empire Bid for Undisputed World Domination, 1850-1870

Schiller Institute Food For Peace Conference, Chicago, IL, Feb. 22-23, 1992

[The following paper is a transcription of a tape recording at the above conference of an oral presentation by Mr. Tarpley.]

I would like to attempt to illustrate the Versailles thesis in a certain amount of detail. I would say to people at the beginning, the best seats are emphatically here in the front part of the auditorium, because if you don't see these maps, it will be a little difficult to follow. So I urge you if you can, come up to the front.

The Versailles thesis has been referred to several times in the course of today's proceedings, and it is, in short, the idea that the world system or world order which is presently collapsing around our ears is rooted above all in the events of the first World War between 1914 and 1918; and then in the Versailles Treaty of 1919, actually in the Peace of Paris of 1919.

The thesis goes on to specify that World War I itself was the consequence of British geopolitical geostrategic decisions that were made in the period around 1870, in the wake of the American Civil War. The British, from 1870 to 1914, actively sought a general conflagration for the purpose of destroying civilization and for preserving the British Empire against the challenges that had emerged.

Now the theme in this is constantly the British quest for the single empire. Lyndon LaRouche referred to it before, I believe – the idea of a single new Roman Empire, an empire that would encompass the entire world, which would be under the ultimate domination of what the British considered to be an Anglo-Saxon master race. It would be oligarchical, colonial, imperialistic, malthusian; [it would] condemn large areas of the world to depopulation, poverty, and so forth, [and would be directed to] the preservation of the British Empire.

As we will see, the British came very close to establishing just such a single empire in the period between 1848 and 1863. That is the period we'll look at in some detail, because it's a period that's very like our own today, a period when the British – the Anglo-Americans – came close to establishing this kind of universal domination, the new Roman Empire.

In the course of this, I will have to simplify some things. We can certainly clarify some of those in the discussion, and I will have to proceed somewhat from the point of view of the British thrust in these directions, and you'll see the areas that pop up. We will also see the irony of history, that if the British between 1850 and 1860 came close to establishing their worldwide dominion, the irony is that the world then blew up in their faces – especially around the events of the American Civil War, the Russian cooperation with Lincoln during the Civil War – to the point where, by about 1870, the British had to fear a convergence of the United States, Russia, and a united Germany, in such a way that the future of the British Empire would have been put in jeopardy, [even] might have been terminated.

In the course of this, as you'll see, – and this is Lyn's [Lyndon LaRouche's] tremendous merit, to be able to do this given the conditions that he's working under – we will develop a radically new view of the last 200 years of history which you will not find in any textbook. Indeed, from the point of view of this concept, you will see what a tissue of lies the history of the last 200 years as presented in Anglo-American sources actually is, particularly the official U.S. version of World War I and World War II, which is a complete tissue of lies. Any idea of German war guilt for World War I has to go out the window, and it has to yield to the idea that World War I was a British creation which the British schemed for the best part of a half century to bring about.

[Display MAP OF EUROPE as redrawn at Congress of Vienna, 1815]

The question is, where do you start some kind of a review like this? We could usefully start it at the time of the American Revolution. What I thought we would do, though, is to skip to the end of the Napoleonic Wars, simply specifying that in the period before 1815 the British were able to extend their colonial domination to vast areas of the world, including India and so forth, with of course the new nation – the United States – standing out as a barrier, as a challenge, to British imperialism. So let us leap to the end of the Napoleonic Wars, what many people know as the Europe of the Congress of Vienna, as you see here. This was Europe as the map was redrawn by the oligarchs gathered at the Congress of Vienna in 1815. So here's our starting point.

Remember that in the world outside of Europe at this point, the British dominate. They rule the seas, their only significant challenge coming from the United States. Here's Congress of Vienna Europe. Notice that Poland is completely submerged, Italy is divided, the Turkish Ottoman Empire extends far into continental Europe, and in the middle of everything you've got this crazy quilt of Germany divided into dozens and dozens of petty states. Notice also that Belgium has been added to the Netherlands.

This is the Europe that you associate with Metternich, Prince Metternich, the guy who was ruling here in Vienna at that time, the chief minister of the Hapsburg Court. This is the Europe of the Holy Alliance. It is a condominium in which the British are obliged to co-exist with Metternich and the kinds of Central European oligarchs that he represents. Metternich is a very, very ugly figure, needless to say. The British are forced to deal with him almost as an equal. However, what you see – and this I think is a characteristic of the period – [is that] after about 1820 the British begin to drop out of the Congress of Vienna system. They stop going to the congresses; they stop signing the declarations; rather, what they do is to assume a position of splendid isolation and at the same time foment revolutions against all of their alleged allies on the continent of Europe. And in particular, the names of Mazzini, Karl Marx, Bakunin, the First International Workingmen's Association, plus all of the French socialists – Louis Blanc, Fourier, and all these other people – [all these constitute] a society of British agents for the destabilization of Metternich and company on the continent of Europe.

The British started a revolution here, in Serbia – they created that revolution in 1817. The British have been allied with Serbia for about two hundred years, and the Serbs have endured a monumental bloodletting as a result, as have the victims of the Serbs. The British created modern Greece in 1821; and the word went out from London that the British oligarchs would support everybody's revolutions, except of course their own. And they fomented these things, and this is what gave birth to the revolutions of 1848.

I have to caveat this, as Al Haig would say, by saying 1848 is also other things. There are a lot of very good people active in 1848, but the general thrust of the British policy is clearly [that] the British were destabilizing Austria, Russia, and Prussia for balance of power purposes.

Let me show you what happened in 1848, in case people have forgotten this. Basically every government in Europe was overthrown. The French July monarchy in the person of bourgeois King Louis Philippe of Orleans was overthrown in favor of Louis Napoleon Bonaparte, a British agent and adventurer. Every government in Italy was overthrown; in particular, Mazzini succeeded in creating his Roman republic, and in forcing the pope to flee from Rome. Metternich himself was forced to flee from a revolution in Vienna; you had Kossuth in Hungary; every government in Germany was overthrown – not necessarily the monarch, but certainly the prime ministers; similar things in Spain, and so forth. The only country that escaped this was Russia, where there was no internal revolution.

With one fell swoop, the British had succeeded in overthrowing every government on the continent of Europe, in particular forcing Metternich to disguise himself as an Englishman and flee to London.

[Display NEXT MAP: 1848]

Here is this extremely interesting period between the 1848 revolutions and the turning points of the American Civil War, and this is something you won't find in any history book. This is an absolutely original concept that LaRouche has developed. Let us

look at the tremendous worldwide offensive of the British imperialists back in the 1850's.

First of all, free trade. Where did free trade ever come from? Free trade was introduced by the British in 1846 and in the following years. Before that, as you may remember, they had Corn Laws, which set up very high tariffs to keep the price of grain extremely elevated, but this was then turned around, because they could look forward to the idea of being able to loot the world, and therefore they favored free trade.

The British were able to install their puppet, Napoleon III. He had studied the wars of Napoleon I, his ancestor, and had concluded that Napoleon's big mistake was fighting the British. So as so often happens in the history of French imperialism, here's a French imperialist who believes that the way to have a French empire is to be a junior partner to the British. That's exactly what he did. This is then acted out in the Crimean War, where the British and French join together to invade Russia, the only country that had survived those 1848 destabilizations.

We also got, in terms of a worldwide offensive, a reorganization of British rule in India. This is the famous Sepoy Mutiny of 1857, which led to the end of the direct rule of the British East India Company out there, and the creation of a British Viceroy of India. Prime Minister Disraeli made Queen Victoria the Empress of India.

In China, the Second Opium War fits precisely into this period. This is the British grabbing a whole series of ports and other bases on the coast of China, and it was clear at the time that they were about to go into China to partition the entire country. They wanted to occupy China militarily as they had India.

And Kansas. How does Kansas fit it? Well, Kansas is the beginning of the American Civil War. Bleeding Kansas, with gangs of pro-Confederate and pro-Union, or pro-slavery and pro-abolitionist groups, fighting it out in continuous bloodletting. Filibustering expeditions by proto-Confederates into Latin America, and the creation of this Hapsburg Maximilian Empire in Mexico. You look at this together, [and] there's not one continent of the entire globe where the British are not in a tremendous offensive. The idea is that the single empire, the universal monarchy, is within their grasp.

Now, pause for a second. It's very similar today. If you look at this, it looks like the British on paper have wrapped up the entire world. And you could say, if you look at the map, if you calculate, you could say, well, it really looks like the Anglo-Americans have dominated the world, and that the Anglo-Americans will continue to dominate the world for the next century. But let me just anticipate that it's not going to be so.

[Display MAP OF CRIMEAN WAR]

Here's the Crimean War. Here we are on the Black Sea, and what do we find here? The Ottoman Empire, of course; Russia up here, so who goes in? The British and the French bust through the Bosporus and the Dardanelles, and they actually invaded the Crimea here. This was one of the largest amphibious war operations, the largest up to that time to be sure. And they succeeded in defeating the Russian army, although what they find is that their forces were not significant enough to push further inside the country.

[Display MAP OF BALACLAVA]

This is the city of Balaclava. [Do] you remember Tennyson's "Charge of the Light Brigade?" This is one that Fred Wills could quote at great length. The charge of the Light Brigade took place here. This is the British invasion fleet, Anglo-American invasion, and there are some very large Russian forts in the background, and that's what the British threw their Light Brigade against. So here we are in the Crimean War.

[Display MAP OF MEXICO]

Maximilian! Remember him? The Hapsburg heir who was placed on the throne of Mexico by a French army, sent by Louis Napoleon Bonaparte? There he is. The idea was to begin to reintroduce direct colonialism, by British or British puppet states, into Mexico, Central America, and Ibero-America in general, while the U.S. was so tied down by the Civil War that the Monroe Doctrine could not be asserted by Washington.

[Display MAP OF INDIA]

In India, as we saw, the Sepoy Mutiny led to a vast reorganization of British colonialism in the area, sending out a viceroy from London, and before too long Queen Victoria was proclaimed "Empress of India," with this great empire, ruling over maharajahs and other local potentates.

[But] we have to pay special attention to the 1850's in the United States, and Lyn has been very emphatic about this. If you look at the United States in the 1850's, then you have to conclude that the place was a dead duck – lost. Why?

Let's start with the leadership. Let's look at the great series of presidents: Millard Fillmore, starting in the 1850's; Franklin Pierce, the ancestor of Barbara Pierce, Barbara Bush; and James Buchanan. This was the president under whose term the Civil War actually began to break out. (Someone said that this shows that one President Buchanan was enough.) What happened under these [men]? This is typical: Here's Jefferson Davis, wearing his uniform of major general of the United States Army. He was not just a major general; he was the Secretary of War under these administrations.

So what you had under presidents like Fillmore, Pierce, and Buchanan [were] Confederate traitors – like Jefferson Davis – members of the British Scottish Rite Freemasons, proto-Confederate slave holders, traitors, the scum of the earth; they could make great careers in the United States Army. And, of course, later on this was the same Jefferson Davis who became the president of the Confederate States of America, that despicable puppet state.

Don't be fooled by the Confederacy. Don't be fooled by that Sir Walter Scott aura of chivalry, and J.E.B. Stuart wrapped up in God knows what he's palmed off as the ethos of the Confederacy. This was based on human slavery, this was one of the most despicable proto-fascist states that has ever been seen on the face of the earth. Davis was the president.

People like Ulysses S. Grant, that you see here, could not make a career in the army. It's interesting to see that while Jefferson Davis was getting promoted, generals like Sherman and Grant were forced out of the U.S. military service. They had to go into business – into the private sector – to try to earn a living.

Here's a typical Confederate. We've talked a lot about him. Judah P. Benjamin, [who] was the secretary of the treasury of the Confederate States of America. At the end of the Civil War, he fled to Britain, where he lived. This is precisely the kind of British imperialist agent that you find in the upper reaches of the Confederate government. He is of course an agent in particular of the Rothschild family of London, and this mixture of what you would have to call Zionism and Confederacy today is what animates an organization like the Anti-Defamation League. That's exactly what this is. The ADL today continues the characteristic mentality of Judah Benjamin.

And then you look in the Union officer corps. How about this guy? He thinks he's Napoleon, or he's checking if he's still got his wallet. That's George McClellan, who in 1861-62 was the commander of all the Union armies. And here he is at Antietam.

This is the battle where McClellan had a good chance to destroy the Confederate Army under Lee. But he refused to do that. McClellan refused to attack on many occasions, because he wanted a negotiated peace. He said, "I can sit down with Robert E. Lee and work this out, and Abraham Lincoln doesn't really belong in this, because he doesn't understand these things the way I do." This is an interchange where Lincoln is basically telling him, "Why didn't you pursue Lee? You could have destroyed him on the battlefield, and you refused to do it. Now the Civil War's going to go on for three more years."

Here's the way this was viewed in a carton of the day. This is pro-McClellan propaganda. Here's Lincoln on the one side, and Jefferson Davis on the other, and here's George P. McClellan who's trying to reconcile them, mediating between them if you will. And of course he was the Democratic presidential candidate in 1864, and if it hadn't been for Sherman at Atlanta and Phil Sheridan in the Shenandoah Valley and the naval battles off Cherbourg, France and Farragut at Mobile Bay, then McClellan might have won, and that would have been the end of the Union – because that was the idea, that the negotiated settlement would leave the Confederate States of America in existence as a British puppet state.

Now let's look at the way in which this world, which seemed lost, blew up in the face of the British.

A reforming czar in Russia, Alexander II. He came in the midst of the Crimean War, just as his country was under tremendous attack. [He] came in with a vast program of reforms, in particular the freeing of the serfs in 1861. Then we've got the turning point year of 1863: the Emancipation Proclamation, the twin Union victories of Gettysburg and Vicksburg especially, and, as we will see, the arrival of the Russian fleets in New York and San Francisco.

The Seven Weeks' War. This is one that's hardly known. This was the [1866] defeat of Austria by Prussia, which was the immediate prelude to the complete unification of Germany [in 1871]. The collapse of Maximilian's Hapsburg Empire in Mexico, [and] German

unification completed. And as we've stressed, what came out of these events, this tremendous turnaround of the 1860's, when all seemed to be lost, was a convergence of the United States, Russia, and Prussia – or call it Germany by that time – which attracted the attention of key forces in Japan and China. If you go back to Japan in this period, the reforming forces in Japan divide pretty much between pro- American and pro-German.

Here was a potential for a new combination in the northern hemisphere – the United States, Russia, Prussia, plus China and Japan – that would have been sufficient to dominate the world, and finish off the British Empire once and for all. Let's take a look at how this went.

Of course the principal figure in this is Abraham Lincoln, who administered one of the most severe defeats that British imperialism has ever had to absorb in the last 200 years.

This is Lincoln's ambassador. This is the original Cassius Clay, Cassius Clay of Kentucky. He was the Union ambassador to St. Petersburg at the time of the Civil War, and he secured really the only military assistance from any foreign power for Lincoln and for the Union.

This is Admiral Lisovsky. The photographer here is Mathew Brady, and Mathew Brady, the great Civil War photographer, had his studio in New York City. And here's the Admiral, the commander of the Russian Atlantic Fleet. Did he come all the way to have his picture taken? Obviously not.

The Russian fleet arrived in September and October. It sort of came in one ship after another, over a period of a couple of weeks. In September and October the Russian Atlantic fleet arrived in New York City, and they had been ordered by the Czar to place themselves under the command of Lincoln in the case of war between Britain and France on the one side and the Union on the other. Russia was going to join in that war. They had just fought the Crimean War against the British and the French, and they were ready to continue fighting. Similarly, another Russian fleet came to San Francisco, and spent the winter of 1863-64.

Here is another photograph by Mathew Brady. These are actual sailors of the Russian Atlantic fleet, who came into New York City in the fall of 1863 and played a key role in the saving of the Union. [The photo] was a token of the fact that if, for example, Napoleon III sent an army to fight the United States, then he would probably have to deal with Russia on the continent of Europe. As Gideon Welles, the secretary of the navy for Lincoln in those days, said: "Thank God for the Russians."

Here's that other one that I just mentioned. This is a war you almost never hear about in the United States, a war between Prussia on the one side and Austria on the other. This is the Seven Weeks' War. The Prussian army was capable, within a period of about 50 days, of vanquishing the Austro-Hungarian forces. I think what the interesting thing about this is, this took place in 1866. What has never really been looked into is the relation of Gettysburg on the one side with German unification on the other. Would it have been possible for Germany to achieve unification, if Lincoln had not won the Civil War? I would submit to you that Gettysburg and Vicksburg are key turning points of world history, also in the sense that they opened the door to the unification of Germany.

One interesting fact: The kingdom of Hanover, here, which is of course where the British royal family comes from, was an island. It had ceased to exist as a result of this war. The Prussians simply put an end to the existence of Hanover. I can assure you the British didn't like that, [and] would have done something about this if they had not been so thoroughly defeated in the U.S. Civil War.

Here's unified Germany. Again, if you look at this map with the colors, you can see the crazy quilt that had existed – Bavaria down here, Baden Wurttemburg over here, Mecklenburg- Schwerin, and so forth. This was now brought together as one powerful unified national state by 1871. So, U.S., Russia, and Prussia.

However, the British Empire was of course very powerful at this point. Many people think, they tend to situate the British Empire high point back in the days of George III. Well, these are figures from 1909, and they will show you that in 1909 the British dominated one-quarter of the population of the world [within] the British Empire. One quarter of the world's population was subject to the British Empire, and about one-fifth of the world's land surface. There are other accounts that will tell you it's about 25 percent of the population, and indeed 25 percent of the land surface. Remember that the British Empire got even bigger after the First World War by absorbing German colonies, so much so that the entire coastline of the Indian Ocean was completely British controlled. This was then called "the British Lake."

And there, of course, is the old Brzezinski arc of crisis, which is simply the axis of British colonialism around the Indian Ocean.

What could the continental Europeans do to resist this kind of British domination? Well, this is the railway system on the continent of Europe at about 1900. I think that one interesting thing to us as you look at it is that it's clear there are three key points in the European railroad system: there's Paris, there's Berlin, and there's Vienna. That's Budapest over there – think of that as a kind of second center. The only thing that comes close is Milan, but then you've got the Alps here, with a low density of railroads there.

So it's clear that a European infrastructure and railroad triangle, here, does comprehend the densest area of industrial and infrastructural development. At the same time, there were railroads being built out here into the Russian Empire; in particular, we have to mention here the great Count Sergei Witte, who grew up as an employee of the Russian imperial railway system. He worked first of all in the railway ministry, became transportation minister, and later finance minister. And what he promoted was the building of this Trans-Siberian railway, the greatest infrastructural project of the 19th century, greater even than Lincoln's transcontinental railroad. As you see, it goes all the way from St. Petersburg up here, all the way across Central Asia. The original form of it went across Manchuria to Harbin and then to Vladivostock; later on, a second line was added up here, to avoid Chinese territory. It linked up to the Chinese railway system – for example from Harbin to Beijing and to these other areas here – Darien, Port Arthur, and so forth.

There is also a Russian system, as you see. Just to follow this a little bit, there's a second railway system which is called the Transcaspian, which gets right down to the base of the Caspian Sea, comes right across to Iran, and – look – here's British imperialism in India, coming up against the Russian Empire, with just this little Afghani buffer state in between.

So look at this tremendous ability of Witte's project to reach out and create an actual Eurasian railroad bloc. As was mentioned before, Witte's strategic concept was that France, Germany, and Russia should not fight each other. They should make an alliance against Britain in particular. That would have spared them all the carnage of World War I, and it would have robbed the British of their geopolitical strategy. The British geopolitical strategy, of course, was to dominate the United States, dominate Japan if they could, and then go into the so-called heartland, and play the forces of the heartland against each other, play France against Germany, Germany against Russia, and so on down the line. Witte's strategic concept would have made World War I impossible.

And here's the other great railroad project. This is now the Berlin to Baghdad Railway. You only see the Asia Minor part of it here, the Balkan and Asia Minor parts, but suffice it to say that this started in Berlin, came down here through the Hapsburg dominions, across the Bosporus on barges, went through Anatolia, through what is today Syria, and then into Mesopotamia, Iraq, reached Baghdad, reached Kirkuk, Mosul, Basra, and finally Kuwait. And this was going to be built between about 1900 and 1915. It was never completed. This would have provided an alternate route to India; it would have challenged the British domination of their empire lifeline. This was primarily the idea of Georg von Siemens of the German industrial family, but it was pursued also as a goal of German foreign policy. And if you put together the two maps that I've just shown you, the Trans-Siberian Railway and this Berlin to Baghdad railway, you would have made Berlin the rail hub of the universe, with the ability to call on an entire Eurasian hinterland, and of course this the British were determined to avoid at all costs.

Now some people may ask: If the British decided in 1870 or thereabouts, if Disraeli, Gladstone, Lord John Russell, Queen Victoria, and a few other people sat down at the table and said, "Well, let's have World War I," and they did that in 1870, and that's about what they did, why did it take so long for World War I to come about?

I would simply point to a couple of questions of Bismarck's foreign policy. The guy who superintended the creation of united Germany was, of course, Bismarck. He's a mixed figure: part monster, part realpolitiker. Bismarck as a realpolitiker was a great realist. He knew that there could be no general war in Europe as long as Germany and Russia maintained good relations. This picture you see up here is the alliance system created by Bismarck. And you can see the result of it is that Germany has plenty of allies, [and] France has none. France cannot start any wars – [even with] these pro-British governments in Paris – and the British are forced to stay off the continent of Europe pretty much. And I particularly would stress the good relations between Berlin and St. Petersburg, between Germany and Russia, first under the so-called Alliance of

the Three Emperors – Dreikaiserbund – and then the so-called Reinsurance Treaty.

So from 1870 to 1890 or thereabouts, this is what Europe looked like. The bottom part shows what happened when Bismarck was forced out of the scene [in March, 1890 by] the lunatic Emperor William II (this is the guy you remember from the World War I period) when he came in. Kaiser Wilhelm did not understand; he rejected the importance of an alliance with Russia. This allowed France to make an alliance with Russia in 1894, and very soon after that the British were brought into this, and you have the Triple Entente of Russia, England and France, all directed against Germany. Germany is left with only one real ally, the Austro-Hungarian Empire, [though] this was not a good ally. With allies like this you don't really need enemies, and the way for World War I was actually clear.

The other thing to stress about this is the colonial rivalry in Africa. Lyn has talked about the Fashoda incident of 1898; there it is. The British wanted to unite a strip of territory from Cairo all the way down to the Cape. This was the way the British wanted to put Africa together. There were some French imperialists who said no, we're going to start over here in Dakar, and go to Djibouti; and these two groups clashed in Fashoda, and the mentality that won out on the French side under Theophile Delcasse was the idea that if you want to have an empire, you've got to do it with the British, because you're not strong enough to do it against them; therefore, make a deal with British imperialism. That's the key to the Entente Cordiale of 1904.

With that, everything is ready for World War I. Here you see Europe as it was in July and August of 1914. The Russian Empire, the Ottoman Empire here; the Austro-Hungarian Empire, and as you can see, a very large Germany. The British had played their Eastern Question card; the Eastern Question meant their desire to destabilize the Ottoman, Russian, and Austro-Hungarian Empires.

The thing that we have to stress about the way the war was conducted is that the United States fought on the wrong side. That's one of the key turning points in which the twentieth century went wrong. It was wrong for France to ally with the British against Germany, but it was doubly wrong for the United States to go into World War I on the side of the British. The catastrophes of this century would have been avoided to a very large degree if, for example, the United States had refused to back the British, but had rather insisted on arbitrating the war – ending the war by forcing a just peace on all the contending parties. That would have made all the difference. That would have created a much better world than the one that we're confronted with today.

And here's the fighting. You see these fighting fronts? There's a western front over here, there's a tremendous eastern front, an Italian front, there's a Balkan front, there's a Russian-Turkish front out here, and look: even out here there was a Kuwait front. Norman Schwarzkopf, where are you? This was done by the British. They were attacking Baghdad.

And, of course, the reality of World War I is that this is the greatest single tragedy, the greatest single hecatomb of western civilization. Nine million dead. These are French troops getting out of their trucks. They're going to fight the battle of Verdun, where, over a period of 6 or 8 months, more than a million men were killed.

It's about 9 million killed outright, 20 million wounded, and if you add in the Spanish flu of 1919 and a few other things, you get up to the area of about 25 million to 30 million dead as a result of World War I. And the majority of [those were from] Germany and France, the two most developed countries of western Europe.

Here is now the Europe that emerged after the peace of Paris. So this is now Versailles, we're now in the midst of Versailles, bringing World War I to an end. You can see the changes that have been made, a very large Poland up here, a rather large Czechoslovakia, a large Rumania, a fairly large Hungary. Notice also that Yugoslavia has been created. Probably the most typical territorial change of Versailles, this Peace of Paris of 1919, is the existence of Yugoslavia. You can also see the creation of Finland and Latvia, Lithuania, Estonia, up here in the Baltics.

The territorial system that came out of this was vastly unpopular. Nobody was really satisfied with all of this. It awakened desires on the part of various groups, nobody liked it. It was fought in particular by Ataturk in Turkey, [and] there was a mass movement in China against the idea that the German colonial possessions were transferred to the Japanese under this same treaty. In Italy there was so much discontent that it led to the rise of fascism. Similarly in Germany, and so on down the line.

Here's Germany as it came out of World War I. Notice the areas that were taken away; and now, of course, the Oder-Neisse line over here is the border of Germany.

I would stress in the Versailles system the way in which the Ottoman Empire was partitioned in 1919. This was all the Ottoman Empire. Everything that you think of as being the Middle East – including Turkey, Israel, Lebanon, Syria, Iraq, Kuwait, Saudi Arabia – all of these were created at the Peace of Paris – in particular the Treaty of Sevres. Israel took a little bit longer to create, but basically the mandate of Palestine under the British is what then later became Israel.

Hungary, Austria: this empire ceased to exist. Austrians, Hungarians, Czechs, Slovaks, Italians, Slovenians, Croatians, and others departed this empire, and I of course have to apologize for this map. This is a U.S., sort of a pro-Woodrow Wilson map, because it lists "Yugoslavs" as Serbs, Croatians, and Slovenes, and of course that's precisely what Yugoslavia was all about. This did not have anything to do with the wishes of those involved. This was a reward to Serbia by the British and their friend, Woodrow Wilson.

And Russia: the Russian Empire was dismembered. Here we see Finland taken off, the Baltic States taken off, Bessarabia, today Moldova taken off, areas in the Transcaucasus taken off. The Russian Empire has already been through one dismemberment in the 20th century. It's now going through the second dismemberment. And we must warn that unless economic dirigistic policies are introduced in these new states to make them viable, to make them prosperous, to make them stable, then as Helga was saying earlier there is every danger that those states will be re-engulfed by a Russian Empire within about 15 or 20 years, or even less. In this [1919] case, it took about 15 or 20 years for the Russian Empire to make its comeback under Stalin.

The other thing about Versailles that I would like to stress very much is the financial arrangements, because here we can really see the degree to which today's world is an extension of the Versailles system.

Germany, under the Treaty of Versailles, was required to pay $32 billion of reparations. It was said that the Germans bore the war guilt, that they were responsible for World War I. Big lie! But the reason for the big lie was that they [therefore] had to pay $32 billion. It's hard to calculate that in today's terms. Those were gold dollars, those were real dollars, maybe $32 trillion is some idea of what that would have meant today, and because of the 5 percent interest rates, this was going to be paid over about 60 to 70 years. By one calculation, the Germans would have wound up their payments about 1990. They would have just finished paying for World War I two years ago. [But the amount owed] was going to go up to about $100 billion because of the accrued interest over the period. So let's say, $100 trillion of reparations.

The French had borrowed $25 billion during the war, and the British and the French had borrowed about $10 billion from the United States. So here's the merry-go-round. Germany of course was not allowed to export. They were kept blockaded for a long time. They had to pay these reparations to the British and the French. Notice that the French had to also pay the British. The French and the British then paid the United States and the Wall Street bankers under the Dawes Plan and the Young Plan, and then refinanced the Germans so that they could keep paying. And that is a system of usury and destruction. It of course meant that the heart of Europe would be economically depressed; that Germany would be depressed economically, that there would be no development of the Third World as a result of European capital goods being sent out. It virtually guaranteed fascism and bolshevism advancing against the middle class societies; and it had within it the seeds of World War II. In other words, what Lord Keynes said about this – that it would require economic slavery in Germany – was absolutely accurate. It was a way of squeezing Germany until you could hear the pips squeak, as Keynes said.

So let's just summarize what we've gone through on this Versailles system.

What we've done here is to compare the Versailles arrangements of 1919 with the Yalta arrangements of 1945, which have now collapsed. The Versailles System had a League of Nations. Who was in the Security Council? The U.S., Britain, France, Italy, and Japan. Those were the Big Five. The U.S. didn't even join it, but the British wanted to run the world that way, as a condominium. And of course under the U.N. we've got the Security Council.

Under Versailles, you have the Bank for International Settlements in Basel, Switzerland. It's still there. This is widely considered today to be more powerful than the IMF and the World Bank and the other institutions that were put up under the Yalta system after the Second World War. We've mentioned the $32 billion in reparations,

the $10 billion in war debts, the immense internal debts of all these countries. After the Second World War there was the demontage of German industry, simply taking it out, primarily by the Russians, but above all [by] the conditionalities of the IMF as they have been imposed on the former colonial sector.
Continuing this comparison, under Versailles you had a war guilt clause saying that Germany was responsible for World War I, and under Yalta, the same thing. Collective guilt. Every German is responsible for everything that Hitler did. Typical are the geographic changes that I've just mentioned; Yugoslavia is a very typical one. Under Yalta, it's the two Germanys, not simply cut down, but even divided.
And then, look at the Middle East as one example of what this meant for the Third World. Under the League of Nations there were these mandates. The British got the mandate of Palestine. That then became Israel. The British Foreign Office with the Balfour Declaration announced that it was going to create the state of Israel. This was then included in the secret British-French Sykes-Picot accords, and finally the Treaty of Sevres, which was the treaty with the Ottoman Empire.
What does that lead to? To your typical Yalta arrangement of endless wars of Israel against the Arab states. All these Middle East wars, 1948, 1956, 67, 69, 73, the Iran-Iraq War of '80, and finally the Gulf War of 1991. That brings us pretty much up to the present time.
I haven't been able, for reasons of time, to go into certain postwar events that are better known. A couple of things to say in conclusion.
What is the purpose of all this? Why did the British insist on this? The British insist on a world system or a form of organized chaos, which is what you see here, based on an irrational principle of arbitrary power – Oligarchy – the idea that the British royal family, the British House of Lords, and the British aristocracy and oligarchy have the God-given right to rule [as] the Anglo-Saxon master race. And they can inflict suffering on the entire rest of the world in the name of this lunatic, imbecilic principle of their power. Therefore, the purpose of this entire system is to crush humanity. Sure, you can say its really directed against Germany to keep the Germans down, to keep them divided; to keep the Germans and the Russians at each other's throats; to keep the French and the Germans at each other's throats. It also implies that the United States is subjected to colonial rule, which you see.
So all of these great nations are humiliated, each in its own way, by this Versailles System. But the purpose of it ultimately is to crush the entire human race, because one of the effects of this entire system is the poverty and economic backwardness of the developing sector today, which is directly due to these Versailles and Yalta arrangements.
We also have to ask ourselves: What is the center of evil in the world? Well, for a while there was Hitler and the Nazis. This was certainly very evil, Mussolini and the fascists. The Bolshevik Party has gone out of existence – Stalin's party, Lenin's party, is really no longer there. It could be reconstituted, I suppose. Mao and his heirs in China are still in power, but it looks like their future is going to be a limited one. So ultimately you have to ask yourself: What is the problem of evil in the 20th century in particular, because it has turned out not to be fundamentally, in the last analysis, any of those, but rather, the British oligarchy. British geopolitical thinking. The idea of dividing the world along these lines, and creating a series of endless wars.
We also have to recall, as we saw back in the 1850's, that when the British seemed to be on the verge of taking everything, that is the moment when the intrinsic weaknesses of their system pop out. This is an Anglo-American system that destroys its enemies, to be sure, but it destroys its sponsors and its owners with an even greater certitude. It's a system that literally devours its own flesh – as you see today, when it looks like the Anglo-Americans are ready to take over the entire world, but at the same time they're collapsing internally so fast that they will not be able to impose any permanent world order of any type.
And I think finally, what it means for us, is that this is a tremendous opportunity, because there is now a complete political and strategic vacuum, and economic vacuum, all around the world. There is a vacuum of ideas, a vacuum of strategy, [and] a political vacuum. Look at the 1992 Democratic candidates for president – the five-pack, the dwarves – and you can see that that is a vacuum of personalities, policies, and ideas. This is now the time to advance to fill that vacuum.
We must take advantage of the fact that the systems that have controlled the world in a certain manner of speaking, for the past 70 to 90 years, that these are now collapsing in front of our eyes, creating tremendous political opportunities.
You cannot engage in politics today unless you have this kind of a scope – unless you go back to the Congress of Vienna, 1848, the British drive toward the single empire, and then that convergence of Lincoln, Alexander II, and united Germany that gave the British such a scare that they started World War I and created the Versailles System.

Lord Palmerston's Multicultural Human Zoo

Speaking from the vantage point of Lord Palmerston's British Empire circa 1850, Schiller Institute U.S. President Webster Tarpley chaired the panel on "Lord Palmerston's Multicultural Zoo" at the Schiller Institute's conference on Feb. 20. Tarpley served as tour guide through the centuries, and as the "choral" backdrop to the historical drama, introducing each of the seven speakers in turn and concluding the panel. What follows is Tarpley's introduction. Subtitles have been added.
I am now standing in the shadow of the Houses of Parliament in the part of London called Westminster. It is the year of grace 1850. Around me lies Victorian London, the London of Dickens and Thackeray, of John Stuart Mill and Thomas Carlyle. This capital city is now the center of the greatest colonial empire the world has ever known, shortly to embrace between one-fifth and one-fourth of the total population and land area of the Earth. Although in theory there are still empires ruled by the French, the Spanish, the Portuguese, the Dutch, the Belgians, and the Danes, all of these, in this year of 1850, are but the satellites of the British Empire. Britain is the mistress of the seas, the empire upon which the sun never sets. It is the new Rome on the banks of the Thames.
The empress is Queen Victoria, who is largely occupied with Prince Albert in her business of breeding new litters of Saxe- Coburg-Gotha to take over the royal houses of Europe. A quarter- century from now Victoria will be made empress of India to reward her for so much breeding. But for all of Victoria's wealth and power, Britain is not really a monarchy; it is an oligarchy on the Venetian model, and the most powerful leader of the British oligarchy in these times, between 1830 and the end of the American Civil War, is Lord Palmerston.
Henry Temple, the third Viscount Palmerston. Palmerston is the man the others – the Russells, Disraelis, and Gladstones – simply cannot match. Palmerston was first a Tory, then a Whig, always a disciple of Jeremy Bentham, and for 35 years there is scarcely a cabinet without Palmerston as foreign secretary or prime minister. In London they call him Lord Cupid, a Regency buck always on the lookout for a new mistress, perfectly at home in a ménage à trois. On the continent they call him Lord Firebrand. The schoolboys of Vienna sing that if the devil has a son, that son is Lord Palmerston. "Pam" is an occultist who loves Satanism and seances. And here, between Big Ben and the Foreign Office, are the haunts of this nineteenth- century devil, Lord Palmerston, old Pam.

A NEW ROMAN EMPIRE

It is 1850. Lord Palmerston is engaged in a campaign to make London the undisputed center of a new, worldwide Roman Empire. He is attempting to conquer the world in the way that the British have already conquered India, reducing every other nation to the role of a puppet, client, and fall-guy for British imperial policy. Lord Palmerston's campaign is not a secret. He has declared it here in the Houses of Parliament, saying that wherever in the world a British subject goes, he can flaunt the laws, secure that the British fleet will support him. "Civis Romanus sum, every Briton is a citizen of this new Rome," thundered Lord Palmerston, and with that, the universal empire was proclaimed.
During the Napoleonic Wars, the British managed to conquer most of the world outside of Europe, with the exception of the United States. After 1815, the French – be they restored Bourbons, Orleanists, or Bonapartists – are generally pliant tools of London.

But in central and eastern Europe, there was Prince Metternich's Austrian Empire, a very strong land power. There was vast Imperial Russia, under the autocrat Nicholas I or the reformer Alexander II. There was the Kingdom of Prussia. Lord Palmerston likes to call these the "arbitrary powers." Above all, Palmerston hated Metternich, the embodiment and ideologue of the Congress of Vienna system. Metternich presided over one of the most pervasive police states in history. Men said his rule was shored up by a standing army of soldiers, a sitting army of bureaucrats, a kneeling army of priests, and a creeping army of informers.

For Britain to rule the world, the Holy Alliance of Austria, Russia, and Prussia had to be broken up. There is also the matter of the dismemberment of the Ottoman Empire. Starting with Lord Byron's Greek Revolution in the 1820s, British policy has been to play the card of national liberation against each of these rival empires.

The imperial theme was sounded in 1846 with the free trade policy, Britain's declaration of intent to loot the world in the name of the pound. Then, in January 1848, Lord Palmerston arranged an insurrection in Sicily, using British networks that went back to Lord Nelson.

That started the great revolutionary year of 1848, and in the course of that year, every government in Europe was toppled, and every monarchy badly shaken, at least for a time. Metternich of Austria and King Louis Philippe of France fled to London, where they now spend their time playing cards. There was war in Italy, civil war in Austria, barricades in Paris, and tumult in Germany. The only exception to the rule was Russia, and now Lord Palmerston is preparing to invade Russia, with the help of his strategic catamite, Napoleon III, also known as Napoleon le Petit. That will start in about three years, and it will be called the Crimean War. As soon as the war against Russia is over, Palmerston and John Stuart Mill at the British East India Company will start the Great Mutiny in India, which some historians will call the Sepoy Rebellion. Muslim soldiers will be told that new cartridges are greased with pig fat, Hindu soldiers will be told the cartridges are greased with cow fat, and the result will be what you would expect. But in the conflagration the British will get rid of the Great Mogul and the Mogul Empire, and impose their direct rule in all of India. Typical John Stuart Mill. He, of course, is the author of "On Liberty."

The British would like to give China the same treatment they are giving India. Since 1842, Palmerston and the East India Company have been waging Opium Wars against the Chinese Empire, partly to get them to open their ports to opium from India, and also as a way to conquer China. Already the British have Hong Kong and the other treaty ports. By 1860, the British will be in Beijing, looting and burning the summer palace of the emperor.

Shortly after that, the British will back Napoleon in his project of putting a Hapsburg archduke on the throne of an ephemeral Mexican Empire – the Maximilian Project. These projects will be closely coordinated with Palmerston's plans to eliminate the only two nations still able to oppose him – the Russia of Alexander II and the United States of Abraham Lincoln. Lord Palmerston will be the evil demiurge of the American Civil War, the mastermind of secession, far more important for the Confederacy than Jefferson Davis or Robert E. Lee. And in the midst of that war, Palmerston will detonate a rebellion in Poland against Russian rule, not for the sake of Poland, but for the sake of starting a general European war against Russia.

But when the Russian fleets sail into New York and San Francisco, when Lee's wave breaks at Gettysburg, when the Stars and Bars are lowered over Vicksburg, the British Empire will be stopped – just short of its goal. Just short – and yet, British hegemony will still be great enough to launch the two world wars of the twentieth century, and the third conflagration that will start in 1991. And as we look forward for a century and a half from 1850, British geopolitics, despite the challenges, despite the defeats, despite the putrefaction of Britain itself, will remain the dominant factor in world affairs.

PALMERSTON'S THREE STOOGES

How do the British do it? How can a clique of depraved aristocrats on this tight little island bid to rule the entire world? Don't believe the stories about the workshop of the world; there are some factories here, but Britain lives by looting the colonies. The fleet is formidable, but also overrated, and very vulnerable to serious challenges. The army is third-rate. But the British have learned from the Venetians that the greatest force in history is the force of ideas, and that if you can control culture, you can control the way people think, and then statesmen and fleets and armies will bend to your will.

Take our friend Lord Palmerston. Pam has the Foreign Office, the Home Office, and Whitehall, but when he needed to start the 1848 revolutions, or when the time will come for the American Civil War, he turns to a troika of agents. They are Lord Palmerston's Three Stooges. But instead of Moe, Larry, and Curly, these Three Stooges are named Giuseppe Mazzini, Louis Napoleon Bonaparte, and David Urquhart. These Three Stooges – far more than the Union Jack, Victoria, the bulldog breed, the thin gray line of heroes, and the fleet – are the heart of what is called the British Empire.

We will get to know Lord Palmerston's Three Stooges better. But first, one thing must be understood. Moe, Larry, and Curly often had to work together on this or that project. But their relations were never exactly placid. [Slapstick episode from a "The Three Stooges" movie is shown to the audience.] You understand: Their stock in trade was infantile violence. So do not be surprised if we find Palmerston's Three Stooges lashing out with slanders, knives, and bombs against each other, and even against their august master, Lord Palmerston himself.

Under Lord Palmerston, England supports all revolutions – except her own – and the leading revolutionary in Her Majesty's Secret Service is Giuseppe Mazzini, our first Stooge.

MAZZINI'S TERRORIST REVOLUTION

Mazzini has concocted a very effective terrorist belief structure. Mazzini is a Genoese admirer of the diabolical Venetian friar Paolo Sarpi. Mazzini's father was a physician to Queen Victoria's father. For a while Mazzini worked for the Carbonari, one of Napoleon's Freemasonic fronts. Then, in 1831, Mazzini founded his Young Italy secret society. Louis Napoleon Bonaparte, today's President of France, sent him articles for his magazine. Mazzini's cry is "God and the People" [Dio e Popolo], which means that the people are the new God. Populism becomes an ersatz religion. Mazzini teaches that Christianity developed the human individual, but that the era of Christianity, of freedom, of human rights, is now over. From now on, the protagonists of history are not individuals any more, but peoples, understood as racial nationalities. Mazzini is adamant that there are no inalienable human rights. There is only Duty, the duty of thought and action to serve the destiny of the racial collectivities. "Liberty," says Mazzini, "is not the negation of all authority; it is the negation of every authority that fails to represent the Collective Aim of the Nation." There is no individual human soul, only a collective soul. According to Mazzini, the Catholic Church, the papacy, and every other institution which attempts to bring God to man must be abolished. Every national grouping that can be identified must be given independence and self- determination in a centralized dictatorship. In the coming century, Mussolini and the Italian Fascists will repeat many of Mazzini's ideas verbatim.

Mazzini thinks that each modern nation has a "mission": The British would take care of Industry and Colonies; the Poles, leadership of the Slavic world; the Russians, the civilizing of Asia. The French get Action, the Germans get Thought, and so forth. For some strange reason, there is no mission for Ireland, so Mazzini does not support the independence of Ireland. There is only one monarchy which Mazzini supports, because he says it has deep roots among the people: You guessed it, Queen Victoria.

Mazzini preaches an Italian revolution for the Third Rome: After the Rome of the Caesars and the Rome of the Popes comes the Rome of the People. For this, the pope must be driven out. Mazzini has tried to put this into practice just last year. In November 1848, armed Young Italy gangs forced Pope Pius IX to flee from Rome to Naples. From March to June of 1849, Mazzini ruled the Papal States as one of three dictators, all Grand Orient Freemasons. During that time, death squads operated in Rome, Ancona, and other cities. Some churches were sacked, and many confessionals were burned. For Easter 1849, Mazzini staged a monstrous mock Eucharist in the Vatican he called the Novum Pascha, featuring himself, God, and the People. During this time he was planning to set up his own Italian national church on the Anglican model.

The defense of Rome was organized by Giuseppe Garibaldi, who had joined Mazzini's Young Italy in the early 1830s. But a French army sent by fellow Stooge Louis Napoleon drove out Mazzini, Garibaldi, and their supporters. Lord Palmerston said that Mazzini's regime in Rome was "far better than any the Romans have had for centuries."

Right now Mazzini is here in London, enjoying the support of Lord Ashley, the Earl of Shaftesbury, a Protestant fanatic who also happens to be Lord Palmerston's son-in-law. Mazzini's direct

access to the British government payroll comes through James Stansfeld, a junior Lord of the Admiralty and a very high official of British intelligence. Last year, Stansfeld provided the money for Mazzini's Roman Republic. Stansfeld's father-in-law, William Henry Ashurst, is another of Mazzini's patrons, as is John Bowring of the Foreign Office, the man who will provoke the second Opium War against China. Bowring is Jeremy Bentham's literary executor. John Stuart Mill of India House is another of Mazzini's friends. Mazzini is close to the protofascist writer Thomas Carlyle, and has been having an affair with Carlyle's wife.

One of Metternich's henchmen has said that Palmerston's policy is to make Italy turbulent, which is bad for Austria, without making her powerful, which would harm England. Mazzini's role in Italy has been that of a marplot, a wrecker, a terrorist, an assassin. His specialty is sending his brainwashed dupes to their deaths in terrorist attacks. He hides out and always succeeds in saving himself. Mazzini travels readily on the continent using false passports, posing as an American, an Englishman, a rabbi.

In the thirties and forties, Mazzini was targeting Piedmont in the north, and the Kingdom of the Two Sicilies in the south. In 1848, he rushed to Milan as soon as the Austrians had been driven out and tried to start trouble. One of Mazzini's agents, General Ramorino, let the Austrian commander Radetzky outflank the Piedmontese and win the battle of Novara. Ramorino was executed for treason, but Piedmont had lost the first war for Italian liberation. The king abdicated, and Mazzini tried to break up Piedmont with a revolt in Genoa. Three years from now, Mazzini will stage an abortive revolt against the Austrians in Milan, mainly to stop Russia from allying with Austria in the Crimean War. A few years after that Mazzini will try another insurrection in Genova, still trying to break up Piedmont. In 1860, he will encourage Garibaldi to sail to Sicily, and then try to provoke a civil war between Garibaldi's dictatorship in the south and Cavour's Piedmontese government in the north. In 1860, he will be thrown out of Naples as a provocateur. By that time, Mazzini will be a hated and reviled figure, but British propaganda and British support will keep him going.

Mazzini is also an assassination bureau. In 1848, there was a chance that Pius IX's very capable reforming minister Pellegrino Rossi could unify Italy and solve the Roman Question in a constructive way, through an Italian confederation, chaired by the pope, arranged with Gioberti, Cavour, and other Piedmontese. Mazzini's agents, members of Young Italy, stabbed Pellegrino Rossi to death. The killer was in touch with Lord Minto, Palmerston's special envoy for Italy.

Stooge violence between Mazzini and Napoleon III is always intense, especially after Napoleon's army finished off Mazzini's Roman Republic. In 1855, a Mazzini agent named Giovanni Pianori will attempt to kill Napoleon III, and a French court will convict Mazzini. Have Napoleon's forces outshone the bungling British in the Crimea? Are the British nervous about Napoleon's new ironclad battleship, when they have none? Attempts to kill Napoleon are financed by the Tibaldi Fund, run by Mazzini and set up by Sir James Stansfeld of the Admiralty.

Later, in February 1858, there will be an attempt to blow up Napoleon by one of Mazzini's closest and best known lieutenants from the Roman Republic, Felice Orsini. Napoleon will get the message that it is time to get busy and start a war against Austria in 1859.

At other times, Mazzini tried to kill King Carlo Alberto of Piedmont. Mazzini's Young Italy is always the party of the dagger, of the stiletto. "In the hands of Judith, the sword which cut short the life of Holofernes was holy; holy was the dagger which Harmodius crowned with roses; holy was the dagger of Brutus; holy the poniard of the Sicilian who began the Vespers; holy the arrow of Tell." Vintage Mazzini. London's future ability to assassinate men like Walter Rathenau, Jurgen Ponto, Aldo Moro, Alfred Herrhausen, Detlev Rohwedder, stretches back in unbroken continuity to the Mazzini networks of today.

Mazzini is actually doing everything he can to prevent Italian unity. When unity comes, 20 years from now, it will come in the form of a highly centralized state dominated by Grand Orient Freemasons. For 30 years the prime ministers will be Mazzini's agents, like DePretis and Crispi. Because of the violent liquidation of the Papal States, the Catholics will refuse to take part in politics. Italy will remain weak, poor, and divided. After Mussolini, the Italian Republican Party will identify with Mazzini, and Ugo LaMalfa and his friends will continue Mazzini's efforts to make sure that Italy is weak and divided, bringing down one government after another, and ruining the economy.

THE ETHNIC THEME PARKS OF MAZZINI'S ZOO

Mazzini's work for the British extends far beyond Italy. Like the Foreign Office and the Admiralty which he serves, Mazzini encompasses the world. The Mazzini networks offer us a fascinating array of movements and personalities. There are agents and dupes, professional killers, fellow travelers, and criminal energy types. Mazzini's court of miracles was a public scandal. Leopold of Saxe- Coburg- Gotha, now the king of Belgium, has been complaining to his niece Queen Victoria that in London there is maintained "a sort of menagerie of Kossuths, Mazzinis, Legranges, Ledru-Rollins, etc. … to let loose occasionally on the continent to render its quiet and prosperity impossible."

Indeed. On Feb. 21, 1854, this crew will come together at the home of the American consul, George Sanders: Mazzini, Felice Orsini, Garibaldi, Louis Kossuth, Arnold Ruge, Ledru-Rollin, Stanley Worcell, Aleksandr Herzen, and U.S. traitor and future President James Buchanan. There will also be a Peabody from the counting house.

We can think of Mazzini as the zookeeper of a universal human zoo. Mazzini's human zoo is divided into theme parks or pavilions, one for each ethnic group. In a normal zoo there is an elephant house, a monkey house, an alligator pond, and the like. In Mazzini's human zoo there is an Italian house, a Russian house, a Hungarian house, a Polish house, an American house. Let us walk through the various theme parks in the zoo and identify some of the specimens.

Young Italy, as we have seen, was founded in 1831, attracting the young sailor Giuseppe Garibaldi and Louis Napoleon. Shortly thereafter there followed Young Poland, whose leaders included the revolutionaries Lelewel and Worcell. Then came Young Germany, featuring Arnold Ruge, who had published some material by an obscure German "red republican" named Karl Marx. This is the Young Germany satirized by Heinrich Heine. In 1834, Mazzini founded "Young Europe," with Italian, Swiss, German, and Polish components. Young Europe was billed as the Holy Alliance of the Peoples, opposed to Metternich's Holy Alliance of despots. By 1835, there was also a Young Switzerland. In that same year Mazzini launched Young France. The guiding light here was Ledru-Rollin, who later became the interior minister in Lamartine's short-lived Second French Republic of 1848. There was also Young Corsica, which was the Mafia.

By the end of this century we will have a Young Argentina (founded by Garibaldi), Young Bosnia, Young India, Young Russia, Young Armenia, Young Egypt, the Young Czechs, plus similar groupings in Romania, Hungary, Bulgaria, and Greece. Mazzini is especially interested in creating a south Slavic federation dominated by Belgrade, and for that reason, he has a Serbian organization. That will have to wait for Mazzini's student Woodrow Wilson and the Versailles peace conference of 1919. Right now, a Masonic group in the United States is gearing up to support the pro-slavery doughface Franklin Pierce for President in 1852; they are the radical wing of the Democratic Party, and they call themselves Young America. In the future there will be the Young Turks. And yes, there is also a Palmerston- Mazzini group for Jews, sometimes called Young Israel, and sometimes called B'nai B'rith.

For Mazzini, a nationality means a race, a fixed array of behavior like a breed of dog or a species of animal. He is not thinking of a national community united by a literate language and a classical culture to which any person can become assimilated through a political choice. For Mazzini, race is unchangeable, and race is destiny. It is a matter of blood and soil. Cats fight dogs, French fight Germans, Germans fight Poles, and so on through all eternity. These hatreds are the main datum of sensory perception.

Each of Mazzini's organizations demands immediate national liberation for its own ethnic group on the basis of aggressive chauvinism and expansionism. Mazzini's warhorse is the Territorial Imperative. Each is obsessed with borders and territory, and each finds a way to oppose and sabotage dirigist economic development. Each one is eager to submerge and repress other national groupings in pursuit of its own mystical destiny. This is Mazzini's racist gospel of universal ethnic cleansing.

We have seen some Italian cages; next comes the Hungarian theme park in the zoo. Our principal specimen here is Louis Kossuth, a leader of the Hungarian revolution of 1848- 49. Kossuth was for free trade. He wanted equal status for Hungarians in the Austrian Empire - equal with the Austrians. But within the Hungarian part of the Hapsburg Empire there were many other national groups - Poles, Ukrainians, Germans, Serbs, Romanians, Croatians, and others. Would they receive political and linguistic

autonomy? Kossuth's answer was to ban all official use of the Slavic and Romanian languages in favor of Hungarian. Kossuth was therefore on course for a bloody collision with the Illyrian movement for Greater Croatia, and with the military forces of the Croatian leader Jellacich. There was also conflict with the Serbs. Mazzini had promised the same territories to Hungary, to the Illyrian Croatians, and to his Serbian south Slav entity. Then there was the question of Transylvania, claimed by the Hungarians but also by the Young Romania of Dimitirie Golescu, another Mazzini agent. Young Romania's program was to restore the Kingdom of Dacia as it had existed before the Roman Emperor Trajan. So Young Hungary and Young Romania were pre-programmed to fight to the death over Transylvania, which they did, last year. Because of the ceaseless strife of Hungarians and Croatians, Hungarians and Serbians, Hungarians and Romanians, it proved possible for the Hapsburgs to save their police state with the help of a Russian army.

The ethnic theme houses of the zoo thus sally forth to fight, not only Hapsburgs and Romanovs, but most of all, each other. We will find the same thing in viewing the Polish and Russian pavilions.

The Young Poland of Lelewel and Worcell demands the re-creation of the Polish state and rollback of the 1772-95 partitions of Poland. But they go much further, laying claim to Poland in its old Jagiellonian borders, stretching from the shores of the Baltic to the shores of the Black Sea. This includes an explicit denial that any Ukrainian nation exists. In the orbit of Young Poland is the poet Adam Mickiewicz, a close friend of Mazzini's who was with him last year during the Roman Republic. Mickiewicz argues that Poland is special because it has suffered more than any other nation; Poland is "the Christ among nations." Mickiewicz dreams of uniting all the west and south Slavs against the "tyrant of the north," the "barbarians of the north." By this he means Russia, the main target. Young Poland's program also foreshadows the obvious conflict with Young Germany over Silesia.

Young Russia means the anarchist Mikhail Bakunin and the aristocratic ideologue Aleksandr Herzen. Herzen is an agent of Baron James Rothschild of Paris. Right after the Crimean War, Herzen will start publishing "The Polar Star" and "The Bell," both leak sheets for British secret intelligence that will build up their readership by divulging Russian state secrets. Herzen's obvious target is Czar Alexander II, the ally of Lincoln. Herzen prints the ravings of Bakunin, who preaches pan-Slavism, meaning that Russia will take over all the other Slavic nations. "Out of an ocean of blood and fire there will rise in Moscow high in the sky the star of the revolution to become the guide of liberated mankind." Vintage Bakunin. If Mazzini relies on the stiletto, for Bakunin it is "the peasant's axe" that will bring down the "German" regime in St. Petersburg.

Herzen is interested in sabotaging Alexander II and his policy of real, anti-British reform in Russia. To block real industrial capitalist development, he preaches reliance on the aboriginal Slavic village, the mir, with "communal ownership of the land" plus the ancient Slavic workshop, the artel. The mir will never build the Trans-Siberian railway. Herzen sees Russia as the "center of crystallization" for the entire Slavic world. Herzen, although he is usually called a "westernizer," is totally hostile to western civilization. He writes of the need for a "new Attila," perhaps Russian, perhaps American, perhaps both, who will be able to tear down the old Europe. In the moment when the British will seem so close to winning everything, Herzen will support Palmerston's Polish insurrection of 1863, and will lose most of his readers. Once the American Civil War is over, the British will have little use for Herzen. By then, London will be betting on the nihilist terrorists of the Narodnaya Volya (People's Will), who will finally kill Alexander II, plus the Russian legal Marxists, all British agents. But already today we can see the conflicts ahead between Young Poland and Young Russia. In the conflicts among Mazzini's national chauvinist operations, we can see the roots of the slaughter of World War I.

Now, let us view the cages in the American theme park in Mazzini's human zoo. This is Young America. The name was popularized in 1845 by Edwin DeLeon, the son of a Scottish Rite, Jewish slave-trading family of Charleston, South Carolina. Edwin DeLeon will later be one of the leaders of the Confederate espionage organization in Europe. The leader of Young America is George N. Sanders, the future editor of the "Democratic Review." Young America's view of Manifest Destiny is a slave empire in Mexico and the Caribbean. In the 1852 election, Young America will back the dark horse doughface Democrat, Franklin Pierce, against the patriot Winfield Scott. Scott's Whig Party will be destroyed. Young America operatives will receive important posts in London, Madrid, Turin, and other European capitals. Here they will support Mazzini and his gang.

Mazzini's American contacts are either proto- Confederates or strict abolitionists, such as William Lloyd Garrison. During the American Civil War, Mazzini will favor both the abolition of slavery and the destruction of the Union through secessionism – the London line. This subversion will be showcased during the famous tour of Kossuth in the United States, next year and the year after. Kossuth will be accompanied by Mazzini's moneybags, the Tuscan Freemason Adriano Lemmi. On the eve of the Crimean War, with Palmerston doing everything to isolate Russia, Kossuth's line will be that the "tree of evil and despotism" in Europe "is Russia." Kossuth will try to blame even the problems of Italy on Russia. Despite Kossuth's efforts, the United States will emerge as the only power friendly to Russia during the Crimean conflict. Kossuth will call for the United States to join with England and France in war against Russia – Lord Palmerston's dream scenario.

Kossuth will refuse to call for the abolition of slavery. Kossuth will get on well with the slaveholders, since he will also be attempting to mediate a U.S. seizure of Cuba, which meshes perfectly with the secessionist program.

Mazzini is the zookeeper for all of these theme parks. But there are other zookeepers, and still more theme parks in the human, multicultural zoo. The custodians are Palmerston's two other Stooges, David Urquhart and Napoleon III.

THE SECOND STOOGE: DAVID URQUHART

There is also a theme park for the English lower orders. The keeper here is the strange and eccentric Scot, David Urquhart, the most aristocratic of Palmerston's Stooges. Urquhart was chosen for his work directly by Jeremy Bentham, who lavishly praised "our David" in his letters. Urquhart took part in Lord Byron's Greek revolution, but then found he liked Turks better after all. He secured a post at the British Embassy in Constantinople and "went native," becoming an Ottoman pasha in his lifestyle. Urquhart's positive contribution to civilization was his popularization of the Turkish bath. He also kept a harem for some time. Urquhart also thought that late Ottoman feudalism was a model of what civilization ought to be. In Turkey, Urquhart became convinced that all the evil in the world had a single root: Russia, the machinations of the court of St. Petersburg. A very convenient view for Palmerston's Britain, which was always on the verge of war with Russia. For Urquhart, the unification of Italy is a Russian plot. He once met Mazzini, and concluded after ten minutes that Mazzini was a Russian agent! The usual Stooge on Stooge violence again! For this Russophobe, the problem of Great Britain is that Palmerston is a Russian agent, having been recruited by one of his many mistresses, the Russian Countess Lieven. During the years of Chartist agitation, Urquhart bought up working class leaders and drilled them in the litany that all of the problems of the English working man came from Russia via Lord Palmerston. To these workers Urquhart teaches something he calls dialectics. Urquhart will be a member of Parliament and he controls a weekly paper, "The Free Press."

Palmerston understands that his subversive methods will always generate opposition from the Tory gentry and the straight-laced crowd. So he has taken the precaution of institutionalizing that opposition under his own control, with a raving megalomaniac leader to discredit it. Urquhart's demonization of Russia foreshadows something that will be called McCarthyism a century from now. Urquhart's remedy is to go back to the simplicity of character of Merrie England, in the sense of retrogression to bucolic medieval myth. "The people of England were better clothed and fed when there was no commerce and when there were no factories." That is vintage Urquhart.

Does this talk of pre-capitalist economic formations strike a familiar chord? Do you smell a big, fat commie rat?

How interesting that Urquhart should be the controller of British agent Karl Marx, who earns his keep as a writer for Urquhart's paper. David Urquhart is the founder of modern communism! It is Urquhart who will prescribe the plan for "Das Kapital." Marx is a professed admirer of Urquhart – acknowledging his influence more than that of any other living person. Marx will even compose a "Life of Lord Palmerston," based on Urquhart's wild obsession that Pam is a Russian agent of influence. This says enough about Marx's acumen as a political analyst. Marx and Urquhart agree that there is no real absolute profit in capitalism, and that technological progress causes a falling rate of profit.

Another of Urquhart's operatives is Lothar Bucher, a confidant of the German labor leader Lassalle, and later of the Iron Chancellor,

Otto von Bismarck himself. After Gettysburg, Urquhart will move to France, and open a theme park for right-wing Catholics; he will meet Pius IX and will join members of Cardinal Newman's Oxford Movement at the First Vatican Council in 1870.

THE THIRD STOOGE: NAPOLEON III

Our third Stooge is the current President and soon-to-be emperor of France, Napoleon III, "Napoleon le Petit." As we have seen, he started off as a Carbonaro and terrorist in contact with Mazzini. In 1836, Napoleon tried to parlay his famous name into a successful putsch; he failed and was exiled to America. Then Napoleon was given a private study at the new British Museum reading room and frequented Lord Palmerston. He began work on his book, "Les Idees Napoleoniques." His main idea was that the original Napoleon was not wrong to be an imperialist, but only erred in trying to expand his empire at the expense of Great Britain. There is plenty of room for a French Empire as a junior partner to the British. The preferred form of government would be democratic Caesarism, with frequent plebiscites.

In 1848 Napoleon was working for the British as a special constable – a riot cop – to put down an expected Chartist revolution; he was then shipped to Paris. There Napoleon III used his name to become President, and then organized a coup d'etat that made him emperor. Palmerston quickly endorsed the coup, causing hysteria on the part of the Victoria and Albert palace clique. Palmerston was forced out, but he was soon back, stronger than ever.

After hundreds of years of warfare, France at last had been broken, placed under a more or less dependable British puppet regime. The "western powers," the "Anglo-French," were born. Napoleon III gave Palmerston one indispensable ingredient for his imperial strategy: a powerful land army. Soon an open Anglo-French entente was in full swing. When Victoria came to Paris it was the first such visit by an English sovereign since Henry VI had been crowned King of France in Notre Dame in 1431. When Napoleon joined Palmerston in attacking Russia in the Crimea, it was the first war in 400 years to see France and England on the same side.

The French pavilion of the zoo is being redecorated with a new version of British empiricism: This is positivism, the miserable outlook of Auguste Comte and Ernest Renan. This will lead to the French structuralists, ethnologists, and even deconstructionists of the late twentieth century.

Napoleon III is Palmerston's strategic catamite, usually with as much will of his own as an inflatable sex doll. Think of him as a blow-up British agent. After the Crimea, Palmerston will need a land war against Austria in northern Italy. Napoleon, egged on by Camillo Benso di Cavour who knows how to play the interstices, will oblige with the war of 1859 and the great Battle of Solferino. When the time will come for Maximilian's Mexican adventure, Napoleon will be eager to send a fleet and an army. During the American Civil War, Napoleon's pro-Confederate stance will be even more aggressive than Palmerston's own. In 1870, Bismarck will defeat Napoleon and send him into exile in England. Here Napoleon will plan a comeback after the Paris Commune, but he will need to be seen on horseback, and he has a bladder ailment. The bladder operation designed to make him a man on horseback once again will instead kill him.

Napoleon III calls himself a socialist and will style the latter phase of his regime "the liberal empire." That means all of France as a theme park in the British zoo. In 1860 Napoleon will sign a free trade treaty with the British. Along the way, he will pick up a junior partner colonial empire in Senegal and in Indo-China in 1862, something that will set the stage for the Vietnam War a century later. Under Napoleon, France will build the Suez Canal, only to have it fall under the control of the British. Napoleon III will furnish the prototype for the fascist dictators of the twentieth century. After his defeat in the Franco- Prussian war, he will bequeath to France a party of proto-fascist colonialists and revanchists beating the drum for Alsace- Lorraine, which Napoleon will lose to Bismarck. These revanchists will turn up again in Vichy, the Fourth Republic, and the French Socialist Party of today.

And so it will come to pass that Lord Palmerston will attempt to rule the world through the agency of a triumvirate of Stooges, each one the warden of some pavilions of a human zoo. The reason why must now be confronted.

THE IDEOLOGY OF BRITISH IMPERIALISM

The British Empire exists in the mind of its victims. This is the empire of senses, of sense certainty, the empire of empiricism. It is the empire of British philosophical radicalism, of utilitarianism, of hedonistic calculus, existentialism, and pragmatism.

Why are the British liberal imperialists called the Venetian Party? Well, for one thing, they call themselves the Venetian Party. The future prime minister Benjamin Disraeli will write in his novel "Conningsby" that the Whig aristocrats of 1688 wanted "to establish in England a high aristocratic republic on the model of [Venice], making the kings into doges, and with a 'Venetian constitution.'"

During the years after the Council of Florence in 1439, the Venetian enemies of Nicolaus of Cusa plotted to wage war on the Italian High Renaissance and Cusa's ecumenical project. To combat Cusa's Renaissance Platonism, the Venetians of the Rialto and Padua turned to a new-look Aristotelianism, featuring Aristotle's characteristic outlook shorn of its medieval- scholastic and Averroist outgrowths.

This was expressed in the work of Pietro Pomponazzi, and in that of Pomponazzi's pupil, Gasparo Contarini. During the War of the League of Cambrai of 1509-17, an alliance of virtually every power in Europe threatened to wipe out the Venetian oligarchy. The Venetians knew that France or Spain could crush them like so many flies. The Venetians responded by launching the Protestant Reformation with three proto-Stooges – Luther, Calvin, and Henry VIII. At the same time, Contarini and his Jesuits made Aristotle a central component of the Catholic Counter- Reformation and the Council of Trent, and put Dante and Piccolomini on the Index of Prohibited Books. The result was a century and a half of wars of religion, and a "little dark age," culminating in the Great Crisis of the seventeenth century.

Venice was a cancer consciously planning its own metastasis. From their lagoon, the Venetians chose a swamp and an island facing the North Atlantic – Holland and the British Isles. Here the hegemonic Giovani party would relocate their family fortunes, their fondi, and their characteristic epistemology. France was also colonized, but the main bets were placed further north. First, Contarini's relative and neighbor Francesco Zorzi was sent to serve as sex adviser to Henry VIII, whose raging libido would be the key to Venetian hopes. Zorzi brought Rosicrucian mysticism and Freemasonry to a land that Venetian bankers had been looting for centuries. The Venetian Party in England grew under the early Stuarts as Francis Bacon and his wife Thomas Hobbes imported the neo- Aristotelianism of Fra Paolo Sarpi, the great Venetian gamemaster of the early 1600s, the architect of the Thirty Years' War.

When James I and Charles I disappointed the Venetians in that Thirty Years' War, Cromwell, Milton, and a menagerie of sectarians were brought to power in an all-Protestant civil war and Commonwealth. This was the time of the Irish genocide and the foundation of the overseas empire in Jamaica. After the depravity of the Restoration, the "Glorious Revolution" of 1688 gave birth to the most perfect imitation of the Venetian oligarchical system ever created. The great Whig and Tory aristocrats set as their goal a new, world- encompassing Roman Empire with its center in London. After the defeat of Leibniz's attempt to save England, Great Britain set off on the path of empire with its new Hanoverian Guelph dynasty.

The War of the Spanish Succession in 1702-13 was the first war fought on a world scale and the last gasp for rivals Spain and Holland. The Peace of Utrecht left the British supreme on the oceans. Louis XIV and Colbert were defeated by divide- and-conquer Venetian geopolitics, as British cash was used to hire states like Brandenburg and Savoy to fight the French. By winning the coveted asiento, the monopoly on slave commerce with Spanish America, the British became the biggest slave merchants in the world. The wealth of Bristol and Liverpool would be built on slaves.

After several decades of Walpole and the Hell-Fire Clubs, there came the great war of the mid-eighteenth century, the Austrian Succession followed by the Seven Years' War. This was the end of France as a naval power and worldwide rival for the British. William Pitt, Earl of Chatham, subsidized Frederick the Great of Prussia to win an empire on the plains of Germany. The British took Ft. Louisburg and then seized Quebec City, driving the French out of Canada. The British became the paramount power in India. The British oligarchs of the day, like their successors after 1989, were convinced that they could run wild, violating the laws of nature without penalty, for nothing could now stand against them. But, in loading the American colonies with their prohibitions of settlement and manufacture, their Quebec Act, Stamp Acts, Townsend Acts, and Intolerable Acts, they set the stage for the American Revolution.

In these years William Petty, Earl of Shelburne and Marquis of Lansdowne, gathered a stable of ideologues and operatives, his stooges. These were Jeremy Bentham, Adam Smith, Edward Gibbon. These were the founders of British philosophical radicalism, the most primitive form of Aristotle yet devised, and its Siamese twin, free trade. Shelburne was defeated by the superior ability of Hamilton, Franklin, and Washington, but he did succeed in destabilizing and nearly destroying France. The reign of terror in the French Revolution was the work of agents and dupes of Shelburne among the Jacobins, enrages, and sans-culottes.

By now British policy was in the hands of Shelburne's student and protégé, William Pitt the Younger. After letting the Jacobin horrors of Bentham's agents brew up for three years, Pitt was able to unite the continental powers against France in the first, second, and third coalitions. Using the armies raised by Lazare Carnot, Napoleon shattered each of these coalitions. Napoleon's final defeat was the work of Scharnhorst, Gneisenau, and the Prussian reformers, but the beneficiaries were the British.

At the Congress of Vienna in 1815, the British were clearly the dominant force, but they were still obliged to make deals with Metternich, Russia, and Prussia. But under the regimes of Castlereagh and Canning, the oligarchical stupidity, greed, and incompetence of Metternich and Co. made possible the revolts and revolutions of 1820, 1825, and 1830. By 1830, Lord Palmerston was ready to take control of the Foreign Office and begin his direct march to undisputed world domination. Metternich was still sitting on the lid of the boiling European cauldron, but Lord Palmerston and his Three Stooges were stoking the flames underneath.

There was a time when the center of oligarchy, usury, and geopolitics was Venice, the group of islands in a lagoon at the top of the Adriatic. In the sixteenth century, in the wake of the war of the League of Cambrai, Venice was a cancer planning its own metastasis. These were the years during which the patrician party known as the Giovani, the Youngsters, began meeting in a salon known as Ridotto Morosini. It is here that the future course of England and Britain was charted.

Chorus: "The consolidation of the Venetian Party in England and Britain was a question of culture."

Francisco Zorzi of Venice, the close friend and relative of Gasparo Contarini, who was sent by the Venetian oligarchy to England as the sex advisor to Henry VIII, was a Cabalist and Rosicrucian. In 1529, Zorzi came to London to deliver his opinion, and he remained at the court for the rest of his life, building up an important party of followers – the nucleus of the modern Venetian Party in England. In 1525, Zorzi had published the treatise "De Harmonia Mundi," which uses the cabalistic Sephiroth to expound a mystical, irrationalist outlook and to undercut the influence of Nicolaus of Cusa.

In 1536, when he was at the English court, Zorzi wrote his second major work, "In Scripturam Sacram Problemata." This is a manual of magic, with Zorzi assuring the aspiring wizard that Christian angels will guard him to make sure he does not fall into the hands of demons.

Zorzi was a great influence on certain Elizabethan poets. Sir Philip Sydney was a follower of Zorzi, as was the immensely popular Edmund Spencer, the author of the long narrative poem "The Faerie Queene." Spencer is a key source for the idea of English imperial destiny as God's chosen people, with broad hints of British Israel. Christopher Marlowe and William Shakespeare both attacked Zorzi's influence in such plays as "Doctor Faustus" and "Othello," but the Venetian school was carried on by the Rosicrucian Robert Fludd, and, of course, by Francis Bacon and Thomas Hobbes.

John Milton, the admirer of Paolo Sarpi and apologist for usury, is an example of the pro- Venetian Puritan of the Cromwell Commonwealth period. Milton taught that the Son of God is inferior to the Father, a kind of afterthought, and in any case not necessary. Milton was the contemporary of Sabbatai Zevi, the false messiah from Smyrna, Turkey, whose father was an agent for English Puritan merchants. Did Milton's "Paradise Regained" of 1671 reflect knowledge of Sabbatai Zevi's meteoric career, which burst on the world in 1665?

The British East India Company was founded in 1600. By 1672, adventurers, such as Diamond Pitt, were freebooting around India.

[Chorus]

British empiricism started from Francis Bacon's inductive method based on sense certainty, all of which was taken directly from such Venetians as Paul Paruta and Pietro Sarpi. With Bacon is Thomas Hobbes, who wrote of human society as a war of all against all, necessarily dominated by a tyrannical leviathan state. Then came John Locke, for whom the human mind was a blank slate destined to be filled by sense perceptions. Locke's hedonism led him to the conclusion that human freedom was an absurd contradiction in terms. Locke was followed by the solipsist George Berkeley, who denied any basis in reality to our sense impressions: They are a kind of videotape played in each one of our heads by some unknown supernatural agency. Perception was the only existence there was.

Then came the Scots lawyer and diplomat David Hume. For Hume also, there is really no human self, but merely a bundle of changing perceptions. In his "Enquiry Concerning Human Understanding" and other earlier works, Hume attacks the idea of cause and effect. For Hume, there is no necessary connection between a cause and an effect that the human mind can know with certainty; we only have a vague association or habit of thought that one phenomenon has usually been follow by another. But in these same earlier works, Hume had at least accepted the importance of filling the tabula rasa of each new human mind with a stock of received ideas of conduct which can be lumped under the heading of morals or custom, including religion.

During Hume's later years, the power of the Shelburne faction became dominant in Britain, and Hume's skepticism became bolder and more radical. The later Hume, as in his "Dialogues Concerning Natural Religion," totally repudiated the notion of custom and morality in favor of an unbridled hedonism that points towards the depths of pederasty and degradation inhabited by Jeremy Bentham.

Immanuel Kant, during his long teaching career at Königsberg, Prussia, had been a retailer of Hume's ideas. The two liberals Kant and Hume had a broad common ground in their determination to eradicate the influence of Gottfried Wilhelm Leibniz. But when Hume repudiated all notion of custom and traditional morality, even Kant could not follow. Kant responded with the "Critique of Pure Reason" to defend the notion of cause and effect as one of Aristotle's categories, against Hume, who had reached a sub-Aristotelian level. On this basis, Kant was able to defend customary ideas of religion and morality, "das Sittengesetz." The Kant-Hume split illustrates why British liberal empiricism tends to be several degrees more rotten than its continental European counterparts.

[Chorus]

It is clear that B'nai B'rith is an abject tool of British intelligence, run and directed to serve the interests of British imperial policy, and not the interests of Jews, or even of B'nai B'rith members. The one peculiarity of B'nai B'rith in comparison to the other organizations launched by Palmerston and his three stooges is that B'nai B'rith will be used for a wider variety of tasks in various countries and epochs. Therefore, B'nai B'rith will be more permanent in its continuous organization than its Mazzinian counterparts, among which it stands out as the most specialized.

At the end of this century, one of the tasks assigned to B'nai B'rith will be to direct, with the help of other Mazzinian agents, the dismemberment and partition of the Ottoman Empire. This is the state the British will call the sick man of Europe. Historically, the Ottoman Empire offers surprising tolerance to its ethnic minorities. To blow up the empire, that will have to be changed into brutal oppression on the Mazzini model. In 1862, during the time of the American Civil War, Mazzini will call on all his agents anywhere near Russia to foment revolt as a way of causing trouble for Alexander II. A bit later, with the help of Young Poland, Mazzini will start a Young Ottoman movement out of an Adam Smith translation project in Paris. In 1876, the Young Ottomans will briefly seize power in Constantinople. They will end a debt moratorium, pay off the British, declare free trade, and bring in Anglo-French bankers. They will be quickly overthrown. But the same network will soon make a comeback as the Young Turks, whose rule will finally destroy the Ottoman Empire.

[Chorus]

B'nai B'rith networks will have a devastating impact on the culture of the twentieth century. Sigmund Freud, the founder of psychoanalysis, will be a leading member of the B'nai B'rith lodge in Vienna, Austria, during the twilight of the Hapsburg Empire. Freud later will cordially thank the members of that lodge for their support during the arduous early years in psychoanalysis. Indeed, several members of the lodge will provide the initiating cadre who along with Freud will found the quackery of psychoanalysis. This Freud will be a charlatan and a Cabalist. The anti-Semitism of Freud and of B'nai B'rith as an organization of British intelligence at the expense of Jews will be perhaps most clearly documented in Freud's last major work, "Moses and Monotheism." His hatred for creativity and the human mind will be documented in his essay on

Leonardo da Vinci, in which he will assert, on the basis of no evidence whatsoever, that Leonardo was a homosexual. Later, the Frankfort Institute for Social Research will be founded with the program of merging Marx with Freud. One of the pillars of the Frankfort school will be Max Horkheimer. After the Second World War, Horkheimer will be instrumental in re- founding and re-organizing B'nai B'rith in Frankfort. The Frankfort school will provide the matrix for the youth culture and counter-culture of the postwar decades in the same way that Mazzini, the high priest of romanticism, has used his youth cults to shape the first half of the nineteenth century.
[Chorus]
Today, in 1850, Great Britain and the United States are traditional enemies moving towards their third military conflict after the American Revolution and the War of 1812. During the Civil War, the United States and Russia will together confront Lord Palmerston with a kind of League of Cambrai experience: the spectre of these two great powers arrayed against the British Empire and its stooges in a world war that London would almost certainly lose. After Gettysburg, the British will resign themselves to the continued existence of the United States for some time to come. They will focus their endeavors on using the United States and its power as a weapon in their own hands against Germany, Japan, Russia, and the developing countries. Cultural and financial subjugation will precede military exploitation; the Specie Resumption Act, the control of the US public debt by J.P. Morgan, and the presidencies of Theodore Roosevelt and Woodrow Wilson will mark the way toward the so-called "special relationship," with American muscle working for the brain in London. Under these auspices, British geopolitics will organize two world wars and forty years of cold war.
[Chorus]

CONCLUSION

Towards the end of the twentieth century, in the storms of the breakdown crisis that will follow the end of the NATO-Warsaw Pact confrontation, human beings will be forced to choose between two conflicting definitions of themselves.
On the one hand, they will be able, as human beings always are [able], to choose creative reason, scientific discovery, and a true world order, of community of principle, of sovereign nations seeking progress through economic development. If the persons of those coming days are able to lift their eyes to the stars, they may be able to cease killing one another in order to possess a few square miles of mud on one small planet. If they are capable of recognizing the inherent universality of the human personality, the equality of each person as imago viva dei, then the domain of humanity will be without limit.
But in those same days, the heirs of Mazzini and Lord Palmerston and B'nai B'rith, the servants of a dying Britain, will try to pull the world with them into the abyss. They will say that identity is that of an ethnic group, and that ethnicity controls man's destiny as it does among the animal species. They will tell Americans of the melting pot and so many others who have no ethnic identity that they must acquire a synthetic one. They will re-write history around a thousand false centers to deny that human progress is One. Nor will the minds of little children be exempted from these torments. Others will talk of multiculturalism in a time when the human image will be lacerated and violated and immolated as never before in the face of all the nations. If these voices prevail, then an eon of darkness will surely cover the world. When Palmerston ranted his "Civis Romanus sum!" in the parliament here in Westminster just a short time ago, he thought the empire was made, and that there would never be a reply. But a reply will come, after the British drive will have fallen short, thirteen years from now, when Abraham Lincoln will stand among the new graves and promise that government of the people, by the people, and for the people shall not perish from the earth.

King Edward VII of Great Britain: Evil Demiurge of the Triple Entente and World War 1

"For long years, King Edward wove, with masterly skill, the Nessus robe that was to destroy the German Hercules." – Leipziger Neuste Nachrichten, after the death of Edward VII, May 1910
"What neither Azincourt nor Poitiers could do, the genius of Edward VII realized." – Emile Flourens, La France Conquise, 1906
"There are no frictions between us, there is only rivalry." – Edward VII to State Secretary von Tschirschky of the German Foreign Ministry, at the Cronberg Anglo-German summit, 1906

The Triple Entente is the name given to the alliance among Great Britain, France, and Russia which was formed during the first decade of this century, and which led to the outbreak of the First World War. This Triple Entente was the personal creation of King Edward VII of Britain. The Triple Entente was King Edward's own idea.
It was King Edward who set up the British alliance with Japan, the Russo-Japanese War, and the 1905 Russian Revolution. It was King Edward VII, acting as the autocrat of British foreign policy, who engineered the Entente Cordiale between Britain and France in 1903-04, and who then went on to seal the fateful British-Russian Entente of 1907. It was King Edward who massaged Theodore Roosevelt and other American leaders to help bring about the U.S.-U.K. "special relationship," which dates from the time of his reign. This diplomatic work was masterminded and carried out by King Edward VII personally, with the various British ministers, cabinets, round tables, and other apparatus merely following in his wake. Edward had a geopolitical vision in the Venetian tradition, and it was one of brutal simplicity: the encirclement of Germany with a hostile coalition, followed by a war of annihilation in which many of Britain's erstwhile "allies" – notably France and Russia – would also be decimated and crippled.
Edward VII died in May 1910, before he could see his life's work carried through to completion. But he had created the war alliance of Britain, France, Russia, and Japan, with support from the United States, that would take the field in August 1914. He had created the nightmare world of crossed mobilizations among Germany, France, and Russia. And he had created a network of cothinkers, agents, and dupes in every chancery in England, Europe, and America, who would, when the time came, push the mobilization buttons and launch the war. The madmen of 1914 – Sir Edward Grey, Izvolski, Sazonov, Delcassé, Clemenceau, Poincaré – were all agents of Edward VII's influence. It was Edward's crowd that made sure that the lights went out across Europe, not to be re-illuminated for a generation and more.
Edward VII was also Casanova with a crown, a satyr and sodomist on the throne of England, the royal rake of Edwardian legend. All of this provides useful insight, but is finally beside the point. Edward VII, far more than any other single human being, was the author of the First World War, and thus brought about what is probably the most destructive single event in the history of western civilization. Without Edward's exertions, the war could never have occurred. The Lord of the Isles, as he appeared in Scottish costume at a ball in 1871, was the Lord of the Flies.
And why should we be concerned with these matters today? The main things that have gone wrong with the twentieth century are demonstrably rooted in World War One. World War One opened the door both to the Communism of Lenin and Stalin and to the fascism of Mussolini and Hitler. World War One made possible the entire Versailles system, including reparations, which produced the Great Depression. And finally, World War II, with its greater scale of destruction, was essentially the prolongation of the First World War after two decades of fitful truce. And in our own time, the mad hatters and March hares of the London oligarchy, the Rees-Moggs, Evans-Pritchards, and the Hurds, are proposing a return to the Triple Entente as the shape of things to come.

I. THE ANATOMY OF A MONSTER
EDWARD VII, AUTOCRAT

Edward VII has been hailed by the British as the greatest political activist of the House of Windsor, and as the greatest monarch since William the Conqueror in 1066. He represents the case in

which the monarch and the leader of the oligarchy are united in the same person. The result was an autocrat more absolute than the Kaiser or the Czar.

Edward VII's role as dictator of British foreign policy before the war, although denied by recent biographers, was a matter of common knowledge through the 1920s. During the last months of Edward's life, Robert Blatchford, the editor of the Clarion, wrote in the Daily Mail of Dec. 14, 1909 that: "The king and his councilors have strained every nerve to establish Ententes with Russia and with Italy; and have formed an Entente with France, and as well with Japan. Why? To isolate Germany." (Farrer, p. 261)

J.A. Farrer, writing after the cataclysm of World War I, commented that Edward's: "whole reign was a preparation and education for a war accepted as inevitable…. It is now plain that [Edward's] policy, though achieving peace in some directions, was in essence a policy of war, and one that ended in war. The panic of a German invasion, sustained by the Press during the whole decade, failed of such discouragement as might have prevented a needless enmity to arise between us and Germany. The king seems to have shared the popular belief in the will and power of Germany to invade us." (Farrer, p. 5, pp. 261-262)

The leading ambassadors and ministers of the Belgian Ministry of Foreign Affairs clearly recorded their understanding of Edward's project. Here is the view of Baron Greindl, the Belgian ambassador to Berlin, as expressed in April 1906: "One is driven to the conclusion that British foreign policy is directed by the king in person … there is undoubtedly in England a court policy pursued outside and alongside that of the government." In 1907 Greindl added: "The king of England's visit to the king of Spain is one of the moves in the campaign to isolate Germany that is being personally directed with as much perseverance as success by his Majesty King Edward VII." (Middlemas, pp. 173-174)

Austrian sources confirm the essential view of Edward the Encircler (Eduard der Einkreiser) as the architect of the Entente system. The following example is from the Vienna Neue Freie Presse of April 15, 1907, and came in response to Edward VII's overtures to Russia: "Who can fail to receive the impression that a diplomatic duel is being fought out between England and Germany under the eyes of the world. The king of England … is no longer afraid of appearing to throw the whole influence of his personality into the scales whenever it is a question of thwarting the aims of German policy. The meeting at Gaeta [of Edward VII with the king of Italy] is another fact connected with the burning jealousy between England and Germany. Already people are asking themselves everywhere: 'What is the meaning of this continual political labor, carried on with open recklessness, whose object is to put a close ring around Germany?'" (Brooke-Shepherd, p. 283)

Born in 1841, Edward VII had the typical Saxe- Coburg- Gotha mug, like the current heir apparent. Edward VII was a pupil of Lord Palmerston, with whom he discussed a Russian alliance during the mid-1860s. The young Edward was also close to Palmerston's stooge Napoleon III, and the Empress Eugenie.

In that 1866 war, Edward's mother, Queen Victoria, sympathized with Prussia. But Edward supported Austria, even when Austria was crushed by Prussia at Königgrätz. In 1866, Edward favored what he called an Anglo-French Entente to contain Prussia. This was already the germ of the London-Paris Entente Cordiale of nearly 40 years later. Hostility to Prussia and later to Germany is thus the one fixed point of Edward VII's career. What is reflected here is classical Venetian geopolitics as applied by the British. For centuries, London's maxim has been to ally with the second strongest continental power to destroy the strongest continental power. Until 1870, the British perceived Russia to be the strongest land power. In the 1870s that abruptly changed with the emergence of a united Germany. Edward VII was quicker than other elements of the British oligarchy to take note of that momentous shift.

Edward visited Canada and the United States in the fall of 1860, helping to give a final push to secession and civil war. In 1862 he was in Egypt and the Middle East. In 1875-76 Edward visited India, where he helped to prepare the Afghan war of 1878, which was waged against the influence of Russia. One of the members of Edward's party on this tour was his fellow rake, lifelong friend, and political ally, Lord Carrington.

QUEEN VICTORIA: MRS. JOHN BROWN

Edward's apprenticeship for the monarchy was a long one. In 1861 his father, Prince Albert of Saxe- Coburg- Gotha, died. Edward's mother, Queen Victoria, went into deep mourning and did not emerge from it during the 40 remaining years of her life. The queen was an occultist, as befits a royal house which has always been dominated by Venetians.

Queen Victoria retreated to her castle at Balmoral in the Scottish highlands, 500 miles north of London. The court was organized as a death cult, with every pretense that Albert was still alive. His laundry had to be done, and his nightgown laid out every night. Hot water was brought to his room every morning, and the chamber pot cleaned. There were two guest books, one for the queen, one for Albert, and so on. Victoria made repeated attempts to contact the shade of Prince Albert in the underworld – or the beyond – and these became the origins of the modern British occult bureau. As a result of these seances, the queen became convinced that John Brown, her Scottish gillie (attendant), was a powerful medium through whom the spirit of Albert addressed her. Gossip seeped out from Balmoral to London that John Brown was "the queen's stallion," granted every conjugal privilege, including adjoining bedrooms far from the ladies-in-waiting. A pamphlet about the queen appeared entitled "Mrs. John Brown." Victoria was very like Miss Habisham of Satis House in the Dickens novel "Great Expectations." This was the woman for whom time had stopped when she had lost her husband. When we factor in the frequent orders made for opium and heroin at the local Balmoral pharmacy, we get a picture of Victoria's life in the Highlands. Prim and straight laced it was not.

EDWARD THE CARESSER

When Edward VII married, he chose Princess Alexandra of the Danish Royal House, who had her own anti-German revanche complex because of Bismarck's war against Denmark in 1864. Victoria remained in mourning, gazing at a marble bust of Albert. Victoria refused to appear at state occasions, so Edward had to assume these functions, for 40 years. Edward set up a household in Marlborough House in London, and began his career as a royal rake. He became the undisputed leader of British high society. Hence the Edwardian legend of the sybaritic hedonist and sex maniac whose mistresses included Lillie Langtry, Daisy Countess of Warwick, Lady Brooke, Mrs. George Keppel, and others too numerous to mention. Some of the can-can dancers painted by Toulouse- Lautrec had been Edward's girlfriends.

There was a fling with Sarah Bernhardt, the French actress. When Bernhardt was playing in "Fedora" in Paris, Edward told her that he had always wanted to be an actor. The next night, in the scene in which Fedora comes upon the dead body of her lover, few recognized the heir to the British throne: Edward VII had made his stage debut as a cadaver.

Edward's home at Marlborough House in London was also a center of the "Homintern." One of Edward's friends, Lord Arthur Somerset – known to his friends as Podge – was arrested during a police raid in one of London's numerous homosexual brothels. A satire of Edward was written in the style of Tennyson's "Idylls of the King." This was called "Guelpho the Gay – the Coming K." Some recalled a predecessor on the throne, Edward the Confessor. This future king was to go down as Edward the Caresser.

Prince Felix Yussupov was the heir to the biggest fortune in Russia. He was also considered the most beautiful transvestite in Europe. One evening Yussupov, dressed as a woman, attended the theater in Paris. He noted a portly, whiskered gentleman ogling him through an opera glass from one of the box seats. Within minutes, Yussupov received a mash note signed King Edward VII. Remember that Yussupov is the man who assassinated Rasputin, the holy man and reputed German agent, in December 1916, detonating the Russian Revolution a few months later. Here we see the great political importance of King Edward's Homintern.

THE HOUSE OF JACK THE RIPPER

Edward VII's first son was Prince Albert Victor Edward, known in the family as Prince Eddy and formally as the Duke of Clarence and Avondale. Prince Eddy, like his father, had been considered mentally impaired in his youth.

Prince Eddy was arrested at least once in a homosexual brothel. His main claim to fame today is that he is the prime suspect in the Jack the Ripper murders. This grisly series of crimes involved the murder of five prostitutes in the Whitechapel- Spitalfields slum of London in 1888-89. At the time of the murders, rumors abounded of the involvement of a member of the royal family, and of an obscure background of Freemasonic intrigue. The papers of the attending physician of the royal family indicate that he had indeed treated Jack the Ripper. A number of exhaustive studies have

concluded that this was Prince Eddy. According to some versions, Prince Eddy had contracted syphilis during a trip to the West Indies during his youth, and this had affected his brain. According to others, Prince Eddy was part of a homosexual clique that killed because they hated women. There is no doubt that Prince Eddy answered to the best available description of the Ripper. Young Prince Eddy conveniently died a few years after the Ripper murders ceased.

A quarter of a century ago, a British physician came forward with evidence supporting the thesis that Jack the Ripper was Prince Eddy. A wire service dispatch from the period sums up the allegations made at that time:

"LONDON, Nov. 1, 1970 (AP) - The Sunday Times expressed belief today that Jack the Ripper, infamous London murderer of nearly 100 years ago, was Edward, Duke of Clarence, grandson of Queen Victoria and older brother of George V. The Times was commenting on the statement of an eminent British surgeon who said that the Ripper 'was the heir to power and wealth.' The surgeon, Thomas E.A. Stowell, while claiming to know who the criminal was, refused to identify him in an article to be published tomorrow in The Criminologist.... The Sunday Times, in commenting on Dr. Stowell's article, said there was one name that fitted his evidence. It said: 'It is a sensational name: Edward, Duke of Clarence, grandson of Queen Victoria, brother of George V, and heir to the throne of England. All the points of Dr. Stowell's story fit this man.'" (Spierig, p. 11)

Shortly after having published his article in The Criminologist and thus made his allegations public, Dr. Stowell wrote a letter to the London Times in which he disavowed any intention of identifying Prince Eddy or any other member of the royal family as Jack the Ripper. In this letter Stowell signed himself as "a loyalist and a Royalist." Stowell died mysteriously one day after this letter appeared, and his family promptly burned all his papers.

An American study of the Jack the Ripper mystery was authored by the forensic psychiatrist David Abrahamsen, who sums up his own conclusions as follows: "It is an analysis of the psychological parameters that enabled me to discover that the Ripper murders were perpetrated by Prince Eddy and J.K. Stephen." (Abrahamsen, pp. 103-104) J.K. Stephen had been chosen as a tutor for Prince Eddy, who was mentally impaired. Stephen was a homosexual. He was the son of the pathological woman-hater Fitzjames Stephen. J.K. Stephen's uncle was Sir Leslie Stephen, the writer. There is evidence that J.K. Stephen sexually molested his cousin, best known today by her married name, Virginia Woolf, the novelist. This experience may be related to Virginia Woolf's numerous suicide attempts.

While he was at Cambridge, Prince Eddy was a member of the Apostles secret society. Abrahamsen quotes a maxim of the Apostles: "The love of man for man is greater than that of man for woman, a philosophy known to the Apostles as the higher sodomy." [p. 123] Prince Eddy died on Jan. 14, 1892. J.K. Stephen died in a sanitarium on Feb. 3, 1892.

Prince Eddy's younger brother, the later George V, assumed his place in the succession, married Eddy's former fiancée, Princess May of Teck, and became the father of the Nazi King Edward VIII. If the persistent reports are true, the great-uncle of the current queen was the homicidal maniac Jack the Ripper. Perhaps the recurring dispute about what to call the British royal house - Hanover, Windsor, Guelph, Saxe- Coburg- Gotha, etc. - could be simplified by calling it the House of Jack the Ripper.

Of the existence of a coverup there can be no doubt. One of the main saboteurs of the investigation was a certain Gen. Sir Charles Warren, the chief of the London Metropolitan Police. Warren suppressed evidence, had witnesses intimidated, and was forced to resign amidst a public outcry about Masonic conspiracy. Warren was the master of a new Freemasonic lodge that had recently been created in London. This was the Quatuor Coronati Lodge of Research, number 2076 of the Scottish rite. The Quatuor Coronati lodge had been founded in 1884 with a warrant from the Grand Master of British freemasonry, who happened to be Edward VII.

II. THE HOMICIDAL UNCLE OF EUROPE: EDWARD VII'S NETWORK

During these years, Edward VII built up an unparalleled personal network of politicians and others who owed their careers to him. They are historically significant because they constituted the international war party up through 1914, and have remained in power through two world wars and the cold war, into the Balkan crisis of the 1990s.

THE CHURCHILL FAMILY

One of the habitués of Edward's Marlborough House fast set and a rising member of Parliament during the Disraeli era of the 1870's was Lord Randolph Churchill. Randolph was clearly headed for a great political career when he died of syphilis. Randolph's son was Sir Winston Churchill, who was promoted by Edward VII to a post in the Privy Council. Winston considered himself King Edward's protégé; Edward had urged him to pursue a career in politics and writing. For a time Winston sent the king a daily letter summing up the activities of the House of Commons.

THE CHAMBERLAINS

Another of Edward's most important political operatives was Joseph Chamberlain. Chamberlain had been mayor of Birmingham and known for his anti-royalist rhetoric, but he soon became a member of the Marlborough House set. When Edward VII wanted to start the Boer War, he did so through Joseph Chamberlain, who was the Colonial Secretary between 1895 and 1903, serving for years in Lord Salisbury's cabinet. Chamberlain was an architect of the Fashoda crisis with France and of the Boer War. Chamberlain was also the point man for Edward's deception operation of an alliance with Germany. Edward also used Chamberlain to propose the Entente Cordiale to the French. Those who don't know Joseph Chamberlain may know his son, the later Prime Minister Sir Neville Chamberlain, the author of the Munich sellout of 1938.

SIR EDWARD GREY

A family servant of Edward VII was Sir Edward Grey, the British Foreign Secretary who actually started World War I. Grey's father was an army officer who had joined the household of Edward VII when he was Prince of Wales. The elder Grey was an equerry, or master of the royal horses. Edward VII was Edward Grey's godfather, and did the traveling while Grey stayed in the Foreign Office to do the clerking. Grey's problem later, in August 1914, was to make Germany think that England would not go to war until the war had actually started. This he did with the help of King Edward's surviving son, George V. At the same time, Grey had to convince the Russians and the French that Britain would indeed honor the Triple Entente and go to war in support of Russian aggression. In his effort to start the war, Grey also had to lie to his own prime minister and cabinet. He finally had to sell the entire result to the House of Commons. Grey was Perfide Albion with an Edwardian pedigree.

How Edward Grey Started World War 1

By 1914, even after decades of British geopolitical machinations, it still required all of Sir Edward Grey's perfidy and cunning to detonate the greatest conflagration in world history by exploiting the diplomatic crisis surrounding the assassination of the Austrian heir apparent Archduke Franz Ferdinand on June 28, 1914 in Sarajevo, Bosnia.

Sir Edward Grey had learned an important lesson in the Moroccan crisis of 1911, when Germany sent the warship Panther to Agadir to secure German interests there, which were in conflict with those of France. This lesson was that if Germany clearly perceived in a crisis that there was a direct risk of Anglo- German war, Berlin would back down, frustrating the war party in London. In the Agadir crisis, the British minister Lloyd George had delivered a clear public warning to Berlin, and Germany had replied at once that she was not seeking a permanent presence on the Atlantic coast of Morocco; the crisis was soon resolved.

The German chancellor from 1909 to 1917, Dr. Theobald von Bethmann- Hollweg, was an anglophile and a crony of the Kaiser's student days, anxious to make concessions to London in order to secure peace. Sir Edward Grey declared in 1912 that any differences between England and Germany would never assume dangerous proportions "so long as German policy was directed by" Bethmann- Hollweg.

During the Balkan Wars and the Liman von Sanders affair of 1913, Grey cultivated the illusion of good relations with Germany. By mid-1914, Anglo- German relations were judged by Sir Edward Goschen, the British ambassador to Berlin, as "more friendly and cordial than they had been in years." But it was all a trick by Perfidious Albion.

Some weeks after the assassination of Archduke Franz Ferdinand, the Austrian government, blaming Belgrade, addressed a very harsh ultimatum to Serbia on July 23 demanding sweeping concessions for investigating the crime and the suppression of anti-

Austrian agitation. The Russian court slavophiles were demanding war against Austria and Germany in defense of Serbia; these slavophiles were madmen on the strategic offensive who sought a general European war. In Vienna, the leading minister, Count Berchtold, and the chief of staff, Conrad von Hoetzendorff, were determined to use the crisis to smash Serbia, which they saw as a threat to the survival of their empire. Berchtold and Hoetzendorff were madmen on the strategic defensive, even if they assumed the tactical offensive against Serbia. Their aggressive intentions involved Serbia, but not other great powers. When Serbia issued a conciliatory reply to the Austrian ultimatum, Kaiser Wilhelm II and others were relieved and thought that the war danger had receded; but the Vienna madmen seized on minor refusals by Serbia to declare war on July 28.

If Sir Edward Grey had sincerely wished to avoid war, he could have pursued one of two courses of action. The first would have been to warn Germany early in the crisis that in case of general war, Britain would fight on the side of France and Russia. This would have propelled the Kaiser and Bethmann into the strongest efforts to restrain the Vienna madmen, probably forcing them to back down. The other course would have been to warn Paris and especially St. Petersburg that Britain had no intention of being embroiled in world war over the Balkan squabble, and would remain neutral. This would have undercut the St. Petersburg militarists, and would have motivated Paris to act as a restraining influence.

Grey, a disciple of Edward VII, did neither of these things. Instead he maintained a posture of deception designed to make Germany think England would remain neutral, while giving Paris hints that England would support Russia and France. These hints were then passed on to Russian Foreign Minister Sazonov, a British agent, and to Czar Nicholas II. In this way, French revanchistes and Russian slavophiles were subtly encouraged on the path of aggression.

Grey's deception of Germany meant assuming the posture of a mediator rather than a possible party to the conflict. In early and middle July, Grey proposed direct conversations between Vienna and St. Petersburg to avoid war, but dropped this when French President Poincaré, a war-monger, responded that this would be "very dangerous." On July 24, Grey shifted to a proposal for mediation by other great powers of the Austrian- Russian dispute. On July 26, Grey proposed a conference of ambassadors from England, France, Italy, and Germany, which was declined by Germany for various reasons. Grey's charade of war avoidance contributed to complacency in Berlin and a failure to do anything to restrain the Vienna crazies, since, the Kaiser thought, if England did not fight, France and Russia were unlikely to do so either.

Edward VII's son King George V made a vital contribution to the British deception. Late on July 26, King George V told the Kaiser's brother, Prince Henry, who was visiting England, that Britain had "no quarrel with anyone and I hope we shall remain neutral." This was seized upon by the pathetic Kaiser as a binding pledge of British neutrality for which, he said "I have the word of a king; and that is sufficient for me." The gullible Kaiser Wilhelm was kept thoroughly disoriented during the last critical period when Germany could have forced Vienna to back down and avoid general war, before the fateful Russian and Austrian mobilizations of July 30 and 31.

The Declaration Of War

It was late on July 29 before any warning of British armed intervention in the looming conflict was received in Berlin. When German forces entered Belgium in the context of the Schlieffen Plan (the German plan for a two-front war against France and Russia), Grey declared war at midnight Aug. 4-5, 1914.

The British were the first of the great powers to mobilize their war machine, in this case the Grand Fleet of the Royal Navy. On July 19, the British had already staged a formidable naval demonstration with a review of the Grand Fleet at Portsmouth. On the afternoon of July 28, Winston Churchill ordered the fleet to proceed during the night at high speed with no lights from Portsmouth through the Straits of Dover to its wartime base of operations at Scapa Flow, north of Scotland. On July 29, the official "warning telegram" was sent out from the Admiralty; the British fleet was now on a full war footing.

The first continental state to mobilize had been Serbia, on July 25. The order of general mobilizations was Serbia, Great Britain, Russia, Austria, France, and, finally, Germany.

ADMIRAL JACKIE FISHER

A leading proponent of preventive war against Germany was Edward's protégé Adm. Jackie Fisher, the man who introduced the new battleship called the Dreadnought. Fisher owed his entire career to Edward's patronage. As First Sea Lord after 1904, Fisher was constantly talking about the need for a sneak attack to destroy the German Navy. He called this the need to "Copenhagen" the German fleet, referring to British attacks on the Danish fleet in Copenhagen harbor during the Napoleonic wars. Fisher caused a war scare in November 1904, during frictions with Germany involving the Russo- Japanese war. At this time, his demand for Copenhagening leaked out. During the first Moroccan crisis of 1905, Fisher was at it again, telling Edward that the Royal Navy could "have the German fleet, the Kiel canal, and Schleswig-Holstein within a fortnight." (Magnus, p. 340) In the Balkan crisis of 1908, Fisher again called for Copenhagening. Fisher once expressed his gratitude to Edward for protecting him from his many enemies who, he said, "would have eaten me but for Your Majesty." (Magnus, p. 442)

Nobody in Europe, not the Austrian crazies Berchtold and Hoetzendorf, not the even crazier Russian Grand Duke Nikolai Nikolayevich, was so outspoken a warmonger as Fisher.

SIR ERNEST CASSELL

Sir Ernest Cassell typified another group that Edward VII cultivated assiduously: Jewish bankers. As Prince of Wales, Edward had to live on a limited allowance, and he was deeply in debt. Edward accordingly allowed a series of Jewish bankers to buy their way to presentability at court by their benevolent management of his personal finances, with the proviso that Edward would always make a handsome profit. The first of Edward's financial advisers was Baron von Hirsch of Vienna. Then came Sir Ernest Cassell, knighted by Edward. Edward also cultivated the Rothschild and Sassoon families. In short, Edward's personal household finance agency was identical with the leading lights of turn- of-the-century Zionism. Cassell was also a political operative for Edward, becoming the head of the Ottoman National Bank - the Banque Ottomane - at the request of the Young Turk regime in 1909.

BATTENBERGS AND BASTARDS

Edward was also a close friend of Prince Louis of Battenberg, who married Princess Victoria, the daughter of Edward's late sister Alice, in 1884. This marks the entrance of the Mountbatten family, including Lord Louis and Prince Philip, onto the British royal scene. Asquith, Balfour, and Lloyd George were all more or less Edward's stooges. Edward's influence also lived on through his bastards, one of whom, Sir Stewart Menzies, was a boss of British secret intelligence who betrayed vital U.S. secrets to the Soviets.

CLEMENCEAU

Edward's French network was extensive, and included royalists and oligarchs. The common denominator of Edward's network was la revanche, the need for France to exact vengeance from Germany for the loss of the provinces of Alsace and Lorraine in 1871. The central figure was a leftish radical, Georges "Tiger" Clemenceau, France's wartime premier and the chairman of the Peace Conference at Versailles. Clemenceau's talents for overthrowing governments gave the Third French Republic some of its proverbial instability. Clemenceau was attacked from 1892 on as a British agent and paid spy of the British Embassy.

Former French Foreign Minister Emile Flourens saw that the Dreyfus affair was concocted by Edward VII and his agents in order to break French institutional resistance to a dictatorial regime of Clemenceau. Flourens wrote that: "Clemenceau is the pro-consul of the English king, charged with the administration of his province of the Gauls." (Flourens, 1906) Flourens argued that the friends of the late French leader Leon Gambetta were determined to resist Clemenceau. At the same time, in Flourens's view, the French Army simply hated Clemenceau. According to Flourens, Edward VII used the 1890s Panama scandal to wreck the Gambetta political machine, and then unleashed the Dreyfus affair in order to break the resistance of the French Army to Clemenceau.

Flourens also showed how Edward VII was the mastermind of the post-1904 anti-clerical hysteria in France, which included the confiscation of Catholic Church property and the break of diplomatic relations with the Holy See. For Flourens, Edward VII

was seeking to shut down the French Catholic foreign missions, which had proved a barrier to British colonial expansion. Edward VII's ultimate goal was to create a schismatic church in France on the Anglican or Presbyterian model, wrote Flourens. "As the schism in England dates from the reign of Henry VIII, so the schism in France will date from the reign of Edward VII." (Flourens, pp. 155-156)

THÉOPHILE DELCASSÉ

Delcassé was Edward's partner in the British- French Entente Cordiale of 1903-04. Delcassé had taken office in the British-French confrontation around the Fashoda crisis, when London and Paris had been on the verge of war. Delcassé's view was that France could survive only as a very junior partner of the British.

When Kaiser Wilhelm made his famous visit to Tangier, Morocco in March 1905, France and Germany came to the brink of war. At this time, Edward VII was vacationing on board his yacht in the Mediterranean. During the debate on the Moroccan question in the French National Assembly in April 1905, Delcassé came under heavy attack because of his refusal to seek a modus vivendi with Germany; one of Delcassé's severest critics was the socialist leader Jean Jaurès. When Delcassé was about to be forced into resignation, Edward VII docked his yacht, the Victoria and Albert, at Algiers, and asked the French governor- general to send a telegram to Paris. This was a personal message to Delcassé dated April 23 in which Edward announced that he would be "personally distressed" if Delcassé were to leave office. Edward "strongly urged" Delcassé to remain in office, because of his great political influence but also because of England. As in the case of Alexander Izvolski, Edward VII was not reticent about standing up for his own puppets.

But it became clear that Delcassé had been acting as Edward's minister, not the republic's, and that he had been lying to his ministerial colleagues about the actual danger of war with Germany. Delcassé fell as foreign minister, but stayed on in other posts. Other members of Edward's network in France included Paul Cambon, for many years the French ambassador in London, and Raymond Poincaré, the wartime President and a leading warmonger.

ALEXANDER IZVOLSKI

"A plumpish, dandified man, he wore a pearl pin in his white waistcoat, affected white spats, carried a lorgnette, and always trailed a faint touch of violet eau de cologne." So wrote a contemporary of Alexander Petrovich Izvolski, the Russian foreign minister who was Edward's partner for the Anglo- Russian Entente of 1907, which completed the encirclement of Germany. Edward first proposed the Anglo- Russian Entente to Izvolski in 1904, and at that point Izvolski entered Edward's personal service. Izvolski was made Russian foreign minister in May 1906, after Russia's defeat in the Russo- Japanese War; he served under Prime Minister Pyotr Stolypin. With Izvolski, Russian diplomacy gave up all interest in the Far East, made deals with the British for Iran, Afghanistan, and Tibet, and concentrated everything on expansion in the Balkans - the approach that was to lead straight to World War.

When Izvolski's position as Russian foreign minister became weakened as a result of his Buchlau Bargain adventure, Edward VII took the singular step of writing to Czar Nicholas II to endorse the further tenure in office of his own agent. Edward wrote: "You know how anxious I am for the most friendly relations between Russia and England, not only in Asia but also in Europe, and I feel confident that through M. Izvolski these hopes will be realized." (Middlemas, p. 170)

Izvolski had to settle for Russia's embassy in Paris, where he used a special fund to bribe the Paris press to write that France should go to war. In July 1914, Izvolski ran around yelling that it was his war. As Lord Bertie, the British ambassador to Paris, confided to his diary: "What a fool Izvolski is! … At the beginning of the war he claimed to be its author: C'est ma guerre!" (Fay, I, p. 29)

Izvolski was succeeded as Russian foreign minister by Sazonov, another British agent who played a key role in starting the fateful Russian mobilization of July, 1914.

THEODORE ROOSEVELT

Edward VII's favorite pen pal was U.S. President Theodore Roosevelt, who was handled from day to day by Cecil Spring-Rice of Sir Edward Grey's Foreign Office. Edward can hardly have been ignorant of the British role in the assassination of President William McKinley. Starting in 1904, Edward wrote Teddy letters about how the two of them had been placed in command "of the two great branches of the Anglo-Saxon race." Teddy wrote back about the need for "understanding between the English-speaking peoples," and discussing his race theories about "our stock." Teddy wrote to Edward his view that "the real interests of the English-speaking peoples are one, alike in the Atlantic and the Pacific." Roosevelt served Edward's goals in his mediation of the Russo- Japanese War, in his support for the British at the Algeciras Conference, and in raising naval disarmament at the Hague Conference. Behind his back, Edward's envoys mocked the U.S. President as a semi-savage who gave primitive lunches at Oyster Bay. Later, Sir Edward Grey exerted a decisive influence on Woodrow Wilson through the intermediary of his key adviser, Col. Edward House.

Edward was called the Uncle of Europe - Uncle Bertie - because so many of Queen Victoria's other children married into the various royal houses, making one European royal family. This, Kaiser Wilhelm of Germany was Edward's nephew. Czar Nicholas II was also his nephew, married to Edward's wife's niece. After 40 years as Prince of Wales, Edward knew Europe like a book. He was personally acquainted with every crowned head, every prominent statesman and minister, and "he could accurately gauge their influence, their processes of thought, their probable action in a given emergency."

IDEOLOGICAL MANIPULATION

Emile Flourens found that Edward owed his triumphs primarily to himself, to his "profound knowledge of the human heart and the sagacity with which he could sort out the vices and weaknesses of individuals and peoples and make these into the worst and most destructive of weapons against them." Edward's empire was built on "eternal human folly," on the "intellectual and moral degradation" of the subject populations. Flourens praised Edward's practical understanding of French ideology. Edward knew how to exploit the chauvinism of the Alsace- Lorraine revanchards to incite France against Germany. He knew how to play upon the fascination of the Russian slavophiles with the Greater Serbia agitation in the Balkans. He knew how to use the hatred of the Italian irredentisti against Austria to detach Italy from the pro-German Triple Alliance. He knew how to drive wedges between Germany and Austria by evoking Vienna's resentments of the 1866 war and Prussian preeminence, and their fear of Serbia. He could exploit an American racist's eagerness to be, like the king, a member of a mythical Anglo-Saxon race. He could use the aspirations of Japanese militarists, for the greater glory of the British Empire. Much of Edward's personal magnetism was exercised during his incessant state visits, where he was able to unleash highly orchestrated outbursts of "Bertiemania." Those who recall the equally implausible Gorbymania of some years back will find the phenomenon familiar.

KAISER WILHELM II

Edward's mastery of psychological and ideological manipulation is most evident in his relation with his pathetic and unstable nephew, Kaiser Wilhelm. Edward made a detailed study of Willy's psychological profile, which he knew to be pervaded by feelings of inferiority and incurable anglophilia. As Flourens noted: "Edward VII made an in-depth study of the defects of Wilhelm II. He counted them as his most precious allies." (Flourens, p. 58)

The British and Entente demonization of Wilhelm as the world's chief warmonger was always absurd. Wilhelm felt inferior to British royalty. Wilhelm's greatest secret desire was for acceptance by the British royals. Edward could modulate his own behavior to get the desired result from the Kaiser. If he wanted a public tantrum, he could get that. One British writer, Legge, reports that Edward punched the Kaiser and knocked him down in a meeting.

But if Edward needed to be friendly, he could do that too. During the Boer War, in November 1899, when Britain's diplomatic isolation was at its height, Edward was able to con the Kaiser into making a state visit to Britain. The Boxer Rebellion in China, with its overtone of white racial solidarity against the "yellow peril," was also made to order for duping the Kaiser. In Wilhelm's dockside harangue to the German contingent setting out for Peking, he urged his soldiers on to cruelty against the Chinese:

"Give no quarter! Take no prisoners! Kill him when he falls into your hands! Even as, a thousand years ago, the Huns under their King Attila made such a name for themselves as still resounds in terror through legend and fable, so may the name of Germans resound through Chinese history a thousand years from now." (Cowles, p. 177) This "Huns" speech has provided grist for the London propaganda mill for almost a century, from World War I to the Margaret Thatcher- Nicholas Ridley "Fourth Reich" hysteria of 1989. Not just once, but again and again, the Kaiser muffed opportunities to checkmate Edward's plans.

Edward also played on the Kaiser to sabotage the Berlin to Baghdad railway. At Windsor Castle in 1907, Edward demanded that the British keep control of a section of the railway between Baghdad and the Persian Gulf as a "gate," supposedly to block German troops going to India. The Kaiser was ready to grant such a gate. Otherwise, Edward demanded that all talks about the Baghdad railway should be four-way, with France, Russia, Britain, and Germany involved, so that German proposals would always be voted down 3 to 1.

When the war was finally over, and the Kaiser had lost his throne, the first thing he wanted in exile from the Dutch host was a cup of real English tea.

Edward joked with his French friends that while many prayed to an eternal father, he alone seemed to have an eternal mother. Queen Victoria finally died in 1901, and Edward began his drive to world war.

III. TAILORING AND FITTING THE NESSUS ROBE

Edward's problem as the twentieth century began was rooted in old Lord Salisbury's policy of British "splendid isolation." On the continent of Europe were two main alliances, the Triple Alliance of Germany and Austria- Hungary, with Italy as an adulterous partner, and opposite to this the Dual Alliance of the France of Hanotaux with the Russia of Count Witte. Britain was a member of neither one. British relations with all the continental powers was bad. Russia had been traditionally hostile since the Crimean War of mid-century. With France, Britain had just been to the brink of war in the Fashoda affair. War had been avoided, but French resentment was very great. Relations between Britain and the United States of President Grover Cleveland were traditionally also bad; a dangerous flare-up had come in the 1895 boundary dispute between Venezuela and British Guyana, when the US had invoked the Monroe Doctrine and forced the British to accept arbitration. Edward had tried to quiet that one with the help of his asset Joseph Pulitzer.

THE BOER WAR CRISIS

In the midst of all this, Edward and Joseph Chamberlain had started the Boer War against Transvaal and the Orange Free State, two small states dominated by the Dutch-speaking settlers of the Cape area of South Africa. The British attempt to force the Afrikaners to knuckle under led to the celebrated "Black Week" of December, 1899, with a stunning series of British military defeats on the ground.

A wave of anti-British hatred swept the world as press accounts from the front showed that the bullying imperial colossus had feet of clay. German, French, and Russian newspapers fulminated against London. The Russian government asked Paris and Berlin if they might not consider an intervention to stop the British. Agitation increased when the British responded to their defeats with increased atrocities. The British set up the century's first concentration camps where Afrikaner children were systematically starved to death.

A CAMBRAI DANGER FOR THE BRITISH EMPIRE

As a good Venetian, Edward recognized what he was dealing with. It was a Cambrai moment. In 1509, the Venetian oligarchy, after centuries of geopolitical perfidy, had been faced with a united front of virtually every other power in Europe, all wanting to destroy Venice. Edward himself had seen something similar in 1863, when Russia and the United States seemed about to combine to crush the British Empire. Between 1899 and 1902, public opinion in every country, including the US, demanded measures against the British lion. Britain risked a continental league or continental coalition, a new League of Cambrai against the new Venetians in London. Edward's official biographer Sir Sidney Lee makes the danger perceived by London in those days explicit enough:

"The year 1901 and the first part of 1902 found all unofficial Europe sympathizing with the enemies of Great Britain in South Africa, and any serious diplomatic mistake on the part of Britain in those days might have resulted in European swords being flung into the balance act against her." [Lee II. 731] "…there was always a chance, although a remote one, that jealousy of Britain, from which no great European power could be reckoned quite free, might be so stimulated by circumstances as to bring the members of the two alliances together in a combined challenge to Britain's place in the world. Britain was thus isolated, friendless, and engaged in a none too successful or popular war when King Edward ascended the throne…. Lord Salisbury, King Edward's first Prime Minister, had long been wedded to that policy of 'splendid isolation' which had been the constant British tradition through the last forty-five years of Queen Victoria's long reign. Persistence in that policy offered little opportunity of improving the foreign situation as it existed in 1901, and might actually have exposed Britain to the risk of a hostile combination on a well-nigh overwhelming scale." [Lee, II. 116-117]

Gasparo Contarini and the Venetian patricians of his time had responded to the War of the League of Cambrai by launching the Protestant Reformation and the wars of religion. Edward responded to the isolation of the British Empire by launching World War One.

PERFIDE ALBION

The first imperative for Edward was a deception operation, designed to dupe and neutralize Germany, the natural centerpiece of any continental coalition against England. This was the mission of Joseph Chamberlain, a member of Lord Salisbury's cabinet. In his celebrated speech at Leicester in November, 1899, Chamberlain said, "No far-seeing statesman could be content with England's permanent isolation on the continent of Europe…. The natural alliance is between ourselves and the German Empire…. Both interest and racial sentiment unite the two peoples, and a new Triple Alliance between [sic] Germany, England, and the United States would correspond with the sentimental tie that already binds Teutons and Anglo-Saxons together." [Lee, II. 117]

The rhetoric of a racist alliance was designed to entice the Kaiser, who was so eager to be accepted among the Anglo-Saxons. Wilhelm was advised by the Chancellor, Prince von Buelow, who was slippery as an eel, and by the grey eminence of the German Foreign Ministry, Baron von Holstein. Were these men British agents or British dupes? Were they part of a homosexual court cabal? In any case, Berlin sought an Anglo-German deal, but with hard bargaining. The Berlin consensus was that Britain needed Germany, and as time went on the price that London would have to pay for German help would only increase. The Kaiser's policy was to move slowly towards a deal with London. Von Buelow and Holstein stressed that a British alliance with either France or Russia was simply impossible, given the existing frictions.

And so, Wilhelm and his advisors let slip the great opportunity for a continental bloc, which would have meshed with the efforts of Hanotaux and Wittle. Wilhelm was chasing the chimera of an accord with London which was nothing but a racist deception ploy. In January, 1901, in town for Queen Victoria's funeral, the Kaiser was still proposing an "Anglo-German alliance, [the British] to keep the sea and [Germany] the land; with such an alliance, not a mouse could stir in Europe without our permission…." Even after 1918, the Kaiser was still repeating that he had saved Britain from a French-German- Russian combine during the Boer War.

THE RUSSO-JAPANESE WAR AND 1905 RUSSIAN REVOLUTION

The Kaiser was constantly babbling about the "yellow peril" in the Far East, but the first ally Edward got for himself was Japan. Edward wished to use Japan as his Asian torpedo against Russia. The Japanese wanted Russia to stop encroaching on what they considered their sphere of influence in China and Korea. But sections of the Russian oligarchy hostile to Witte refused to respect Korea, and the Japanese were looking for an ally. The critical moment came when the former Prime Minister, Marquis Ito, visited London in December, 1901. Edward saw to it that Ito was socially lionized and decorated, and an Anglo- Japanese treaty was signed within a month. Both partners were in a hurry because Witte's Trans-Siberian railway was nearing completion, and that would vastly increase Russian power in the Far East. The key clause was that if Japan went to war in the Far East against a single power,

Britain would observe a benevolent neutrality. This meant that if Japan and Russia came to war, the British would prevent any other Europeans from helping Russia. This gave Japan a free hand for Admiral Togo's sneak attack on the Russian base of Port Arthur in early 1904.
King Edward did everything but go to war against Russia. When Russia lost their fleet in the Far East, they embarked on the desperate gamble of sending their Baltic squadron around the world to fight the Japanese. In October, 1904, the Russian ships, steaming through the North Sea, fired on some British fishing trawlers, sinking one of them. The Russian admiral thought they were Japanese torpedo boats. In this Dogger Bank incident, Edward at first went to the brink of war and demanded that the Royal Navy stop the Russian ships, seize the Russian admiral, and punish him. Later, Edward backed down.
In order to reach the Far East, the Russian fleet required logistical assistance, since there was nowhere to get coal. The Kaiser was now in the mood to court Russia, so German ships did the coaling. The British press thereupon demanded that the Royal Navy stop the Germans from delivering the coal. At the same time, Admiral Fisher began popping off about Copenhagening the Germans. But this was all a circus, set up by Edward for his diplomatic aims. The Russians came out of the war with one capital ship left. But Edward wanted a disaster, not just a defeat, for Russia – a disaster that was beyond the power of Japan to inflict. To procure the disaster he wanted, Edward unleashed British intelligence and all of its assets – boyars, democrats, communists, Zionists, the works. This produced a civil war which went on into 1906, crippling Russia as a military power.
In the meantime, Edward had sealed his pact with France.

THE ANGLO-FRENCH ENTENTE CORDIALE OF 1904

At first Edward was not popular in France, because of centuries of conflict, and because of Fashoda, for which he was blamed personally. Indeed, for a time Edward's image in the Paris press was decidedly bad. Joseph Chamberlain, who had terrified the French with his pro-German line, took the message to the French: Edward was willing to trade Egypt for Morocco to get a deal with France. This was a very unequal barter. Since the 1880's, the British presence in Egypt had been officially temporary, ostensibly a matter of restoring order in the name of the other European powers; the British would then get out. They had no intention of getting out, but instead wanted the whole Nile Valley. But the French, the builders of the Suez Canal, still had some rights. However, if the French caved in, the British position in Egypt would be unassailable, at least by Europeans. Morocco was much different. The Moroccan government was stronger, and there were strong competing claims by Germany and Spain. In fact, the idea of French preeminence in Morocco placed France on a collision course with Germany once again.
But French society had been weakened by Edward's Dreyfus affair, and with the help of Delcassé, Clemenceau, and Cambon, the deal was signed. Edward also contributed a tour de force of personal diplomacy, his visit to Paris in the spring of 1903. Here Bertie turned on the charm, with speeches in French about friendship while recalling his own sentimental association with Paris, Biarritz, and the Riviera. With the press doubtless well paid, the Parisian dandies and gratins turned anglophile overnight in an explosion of Bertiemania that was crowned by Edward's appearance at Longchamp, the race track, with President Loubet, of puppet of Clemenceau. This Bertiemania started France on the road that led to Verdun, with 6 million casualties, proportionally the highest of any belligerent.
Edward had designed the Morocco gambit in the hope that Germany would quickly take the bait and challenge the new French domination in Morocco. Prince von Buelow gave Edward exactly the crisis he needed. Von Buelow told the Kaiser that Germany should challenge France in Morocco, both to defend commercial interests and to show France that the British alliance was worthless. If France was the continental dagger now in the hands of England, von Buelow argued, it was time to knock that dagger out of British hands. Von Buelow convinced the witless Kaiser to undertake the lunatic adventure of a visit – like Uncle Bertie – but to Tangier, Morocco, where the Kaiser landed in March, 1905. This led to the predictable confrontation between France and Germany. Delcassé decided to hang tough and go to the brink. When the real immediate risk of a war with Germany became clear to Delcassé's colleagues in the government, Delcassé was fired. But this crisis succeeded in heating up the revanche syndrome in France once more, and directing all the hatred against Germany. Especially because their ally Russia was crippled, and still at war with Japan, the French were thrown completely into the arms of Edward. At the same time, secret conventions were signed for a division of labor between the British and French fleets, and planning was begun for the future British Expeditionary Force.
This first Moroccan crisis was a serious attempt by Edward to start war, despite the fact that France's ally, Russia, was crippled. Edward may have had a promise of support from Denmark, as well. It is certain that Edward was urging France to go all the way. Under the Dual Alliance, Russia would have had to join France in war like it or not. But the French cabinet pulled back.

BJOERKJOE: THE IMPOTENT REVOLT OF TWO DOOMED NEPHEWS

In the midst of all these events, Kaiser Wilhelm and Tsar Nicholas II met at Bjoerkjoe, a Baltic fjord in Finland. This was a poignant moment, the last abortive revolt of the two doomed nephews of Edward VII – the revolt of cousin Willy and cousin Nicky. Nicholas was very unhappy with his French alliance, since France had done nothing to help him against Japan, and had concentrated on courting Uncle Bertie. The Kaiser had momentarily returned to his continental league sloganeering. As the two conversed, it became clear to the Kaiser that they shared a common ground of resentment against Uncle Bertie. Here is the Kaiser's narrative, as sent to his chancellor, von Buelow:
"Our talk then turned on England, and it very soon appeared that the Tsar feels a deep personal anger at England and the King. He called Edward VII the greatest 'mischief- maker' and the most dangerous and deceptive intriguer in the world. I could only agree with him, adding that I especially had had to suffer from his intrigues in recent years. He has a passion for plotting against every power, of making 'a little agreement,' whereupon the Tsar interrupted me, striking the table with his fist: 'Well, I can only say he shall not get one from me, and never in my life against Germany or you, my word of honor upon it!'" [Fay 175]
The Kaiser proposed that the two cousins join in a "little agreement" of their own to stymie Edward. The Tsar accepted, and signed a draft treaty of mutual defense which the Kaiser pulled from his pocket. The two tearfully pledged friendship. But these two borderline psychotics were unable to imagine a community of principle based on economic development, since that would have contradicted oligarchism, and both demented cousins were oligarchical to the core.
Still, if the idea of Russo-German cooperation had been exploited, the World War could not have occurred in the form which it finally assumed in 1914. But when the Kaiser told von Buelow about his talks, the chancellor threatened to resign, in response to which the Kaiser threatened to commit suicide if jilted. The Russian response was more complicated, but the opportunity drifted away. Within 2 years, Russia would be England's ally.

AIMING AT ENCIRCLEMENT

Edward VII left no stone unturned in his efforts to isolate Germany. Edward VII was a prime mover in the dissolution of the personal union of the crowns of Norway and Sweden which gave rise to an independent Norway under British sponsorship in 1905. To underline his point, Edward saw to it that his son in law, the Danish Prince Charles (who had married Edward's third daughter, Maud) became King of the newly independent Norway with the name of Haakon VII. Because of his marriage with the anti-German princess Alexandra, Edward was confident that no support for Germany would be forthcoming from Copenhagen.
Spain was an important country with an ancient grievance against the British: Gibraltar, which the redcoats had occupied since 1704 and the War of the Spanish Succession. In a general European war, there was a clear potential for Spain to join Germany against the Entente. In the face of modern artillery, the British would have been hard pressed to defend Gibraltar. If Spain had also conducted hostilities against France, there was the threat that many French divisions might be tied down in costly attacks on the natural fortress of the Pyrenees. In this latter case, France would have been encircled and confronted with a two-front war. Edward VII pacified Spain by marrying one of his nieces to the Spanish King; this niece converted to Catholicism for the occasion.
To Portugal, Britain's oldest ally, Edward gave worthless promises about British support for the integrity of the Portuguese colonial empire. Portugal duly entered World War I on the side of the

British.

THE ANGLO-RUSSIAN ENTENTE

On the same day in April, 1904 on which the Anglo-French entente had come into effect, Edward VII had met with his agent Izvolski to propose an Anglo-Russian combination. The big crises of the Russo-Japanese war were still months ahead, but Edward moved fast. With the help of Izvolski, Edward cut a deal with Russia that divided Iran into spheres of influence, while Afghanistan and Tibet were both neutralized, much to the disadvantage of Russia. The Russian Slavophiles got nothing tangible about their eternal goal of Constantinople.

The Anglo-Russian entente was signed in September, 1907. In June, 1908, Edward VII sailed to Reval for an ocean-going state visit to Tsar Nicholas. Admiral Jackie Fisher was there, urging Stolypin to build up his land forces facing Germany. The meeting of uncle and nephew was the grimmest of portents, foreshadowing Russia's nine million casualties in World War I – the most of any belligerent – with more than three quarters of all Russian soldiers ending up killed, wounded, or missing. This set the stage for the revolutions of 1917 and the Bolshevik regime.

But for Edward, the important thing was that Germany was now encircled. The ring had been closed. Bismarck's old nightmare of the coalitions (le cauchemar des coalitions) and a two-front war was now reality. With the help of Izvolski, Edward embarked at once on a new attempt to start general war. This started with Izvolski's Buchlau Bargain with Austria, made in September, 1908, and revealed a month later. By this deal Austria was given the go-ahead to formally annex Bosnia- Herzegovina, which had been occupied by Austria after the Congress of Berlin, but not annexed. In exchange Russia was supposed to get the right to send warships through the straits, but this was blocked by the British. But when Austria annexed Bosnia- Herzegovina, Serbia, which wanted Bosnia- Herzegovina, protested. Austria and Serbia went to the brink of war, mobilizing their armies. Germany restrained Austria, and Russia felt too weak for war. Germany actually mediated the dispute. But Edward's agents soon concocted a legend that Germany had humiliated Russia with the threat of war.

As a result of this Balkan crisis of 1908-1909, the Russian Slavophiles turned their rage more and more against Germany, which they saw as blocking their desired path of expansion into the Balkans. The greater Serbia agitators went wild. The Austrian government concluded that Serbia was a threat to its existence, and had to be crushed. This was the pattern which, after a second Moroccan crisis of 1911 much like the first, and after the Balkan wars, led to war in 1914.

Behind the Buchlau Bargain and the Balkan crisis of 1908-1909 was – King Edward. Russian war with Germany had been on his agenda with the Tsar in Reval. In August, 1908, Edward had met with Izvolski and Clemenceau at Marienbad, just before Izvolski made the bargain. During the same month Edward also met with Franz Joseph, the Austrian Emperor, in Bad Ischl. Edward had every reason to start a crisis. If Germany had repudiated Austria, Germany would have emerged totally isolated, with no allies at all left. If Germany supported Austria, the result would be either immediate war, or increased tensions that could turn into war soon.

SPLITTING THE TRIPLE ALLIANCE

One of Edward's last memorable outings was his 1909 visit with King Victor Emmanuel, held at Baiae near Naples on April 29, 1909. Here Edward VII briefed his agent, Italian Foreign Minister Tittoni on what he saw as the alarming growth of the Austro-Hungarian fleet, the navy of a power to which Italy was theoretically allied, but to which it was in reality a rival.

This was the meeting in which Edward VII made his famous toast to the "alliance" between Italy and Britain. Modern pedantic scholars have portrayed this as a blundering gaffe by Edward VII, allegedly proving that the King was a bungler in diplomacy. In the light of subsequent history, it is clear that Edward VII's toast to an Anglo- Italian alliance was perhaps a boastful indiscretion, but it was an error that came from knowing too much, not too little. It is likely that during this visit, Edward VII had secured from the Italian monarch and ministers commitments which rendered Italy's participation in the Triple Alliance wholly inoperative – commitments which withstood the test of 1914, and which were followed by Italy's entry into the war on the side of the Allies in May, 1915, in return for compensations purveyed by Theophile Delcassé. Edward's achievement meant that World War I would be fought not by three powers against three, as the alliance patterns might have suggested, but by four powers against two.

If Edward VII had had his way, it would have been five powers against an isolated Germany. Edward VII never abandoned an Austrian option, which, if it had succeeded, would have left Berlin with no allies at all. An official in the entourage of Austrian Emperor Franz Joseph was Baron Albert Margutti, who was on hand for each of the Bad Ischl meetings between Franz Joseph and Edward. Margutti wrote that, starting with the 1905 meeting, Edward VII began trying to entice Franz Joseph away from his German alliance, offering a series of vaguely defined compensations if he were to do so. [See Margutti, The Emperor Franz Joseph and His Times, pp. 259-261.] The last of these Bad Ischl meetings came in August, 1908, just before the Buchlau Bargain. At this conference, Edward is reported to have pressed Franz Joseph to intercede with Berlin to stop the planned German fleet expansion. After this meeting, Franz Joseph is reported to have muttered, "After all, I am a German prince."

The war would come soon, but not soon enough for Edward. The old roué died in May, 1910. At the time a Leipzig newspaper wrote that he had skillfully woven the Nessus robe to destroy the German Hercules. Recall that in the old Greek myth, the hero Hercules could not be killed by any living man. But Hercules was killed by the centaur Nessus, who had tried to rape Dejaniera, the wife of Hercules. The dying Nessus told Dejaniera to soak Hercules' robe in his centaur blood, and dress him in it if he should ever seem unfaithful. Dejaniera later did this, and the poisoned blood of Nessus, the sex-crazed old centaur, finally killed Hercules.

For a few moments during early August, 1914, the Kaiser realized what had happened:

"England, Russia, and France have agreed among themselves… after laying the foundation of the casus foederis for us through Austria… to take the Austro-Serbian conflict for an excuse for waging a war of extermination against us…. That is the real naked situation slowly and cleverly set going by Edward VII and… finally brought to a conclusion by George V…. So the famous encirclement of Germany has finally become a fact, despite every effort of our politicians and diplomats to prevent it. The net has been suddenly thrown over our head, and England sneeringly reaps the most brilliant success of her persistently prosecuted anti-German world policy against which we have proved ourselves helpless, while she twists the noose of our political and economic destruction out of our fidelity to Austria, as we squirm isolated in the net. A great achievement, which arouses the admiration even of him who is to be destroyed as its result! Edward VII is stronger after his death than am I who am still alive! And there have been people who believed that England could be won over or pacified, by this or that puny measure!!!" [emphasis added; in Cowles, p. 347, from Kautsky Documents]

In 1915 a pamphlet was issued in Berlin by the military writer Reinhold Wagner. The pamphlet was entitled "The Greatest Criminal Against Humanity in the Twentieth Century: King Edward VII of England." With admirable conciseness, Wagner formulated his indictment of the deceased British monarch: "The greatest criminal against humankind which the twentieth century has seen so far was King Edward VII of England. For he was the one, he was the one, who has instigated the world war of today." Despite everything that has happened in this tormented world since 1915, Wagner's case is still overwhelmingly compelling.

From Edward's time to our own, the British monarchy has successfully weathered three storms. One was the "republican" agitation of circa 1870, reflecting the dissatisfaction with Victoria as a royal recluse, and with Edward, the heir apparent, as a rake. Then came 1916-1918, when British troops began to die in large numbers on the western front in King Edward's World War I, which caused a wave of hatred of all things German, including the royal family, which had to take the absurd name of "Windsor" to cover up their German origins. This was when George V refused to accept the Tsar, because of the fear of an even greater political reaction. Then came the Edward VIII crisis of 1937, which reflected the fact that the King was a Nazi. Now, since 1991-92, we have the Charles-Diana crisis, which reflects a deeper breakdown in the Versailles system. There is no reason to assume that the British monarchy, having weathered all these storms, will be easily swept away. We must rather conclude that the royals will stop at nothing, including a military coup, a fascist dictatorship, or World War III, to avoid giving up power.

The historical truth about Edward VII simplifies the question of what and who caused World War I. The world war was caused by

Edward VII, his geopolitics, his diplomacy, his agents, and his alliance system. A clause in the Versailles treaty specifies that Germany bears the entire guilt for World War I. This is a patent absurdity. The world war was caused by Edward VII, as we have seen. The dismantling of the Versailles system must therefore include the revision of the treaty to specify British war guilt in the person of Edward.
France, Russia, Japan, the United States, and other great nations were used by Edward VII as geopolitical pawns, and they have suffered immeasurably as a result. Ninety years after Edward's ententes, citizens and statesmen must learn the lesson of how the British monarchy and oligarchy orchestrated the catastrophe of 1914.

THE WAR GUILT CLAUSE OF THE VERSAILLES TREATY, 1919

The entire international public order of the post-1919 era, including the League of Nations and, by extension, the United Nations, has been based on the absurd lie that Germany was solely responsible for the outbreak of World War I. This finding was officially reported to the Paris Peace Conference at the close of the war by a "Commission on the Responsibility of the Authors of the War," which was chaired by the American Secretary of State, Robert Lansing. Lansing refused to allow any Germans to take part in his deliberations, and the commission ignored a new "German White Book" compiled in 1919 by Hans Delbrueck, Professor Mendelssohn- Bartholdy, Count Montgelas, and Max Weber, which contained enough evidence to show that the thesis of exclusive German war guilt was untenable. The kernel of Lansing's conclusions was as follows:
"The war was premeditated by the Central Powers together with their allies, Turkey and Bulgaria, and was the result of acts deliberately committed in order to make it unavoidable. Germany, in agreement with Austria- Hungary, deliberately worked to defeat all the many conciliatory proposals made by the Entente Powers."
This false verdict was then incorporated into the infamous Article 231 of the Treaty of Versailles, which alleges:
"The Allied and Associated Governments affirm, and Germany accepts, the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies."
The German delegates were coerced into signing the Versailles Treaty by threats of renewed war and by the economic blockade still imposed on Germany after the armistice by the fleets of the Entente. The thesis of exclusive German war guilt was required by the Entente as a premise for the Carthaginian peace imposed on the Central Powers, which included the demand for more than $32 billion in war reparations, especially to France, plus interest for servicing this debt over decades into the future.
In the years after the war, documentary evidence was published which further undermined the Big Lie of Versailles. This included Karl Kautsky's "Out break of the World War" (New York, 1924), the Soviet "Materials for the History of Franco- Russian Relations from 1910 to 1914" (Moscow, 1922), the "Austrian Red Book of 1919," and the diary of Baron Schilling of the Russian Foreign Ministry (edited by W.C. Bridge, London, 1925).
The false verdict of Versailles had already become a scandal in America during the 1920's, when historians like H.E. Barnes and others demanded the revision of the war guilt clause. Typical is this conclusion from the academic historian Sidney B. Fay of Harvard in 1930: "…the verdict of the Versailles Treaty that Germany and her allies were responsible for the War, in view of the evidence now available, is historically unsound. It should therefore be revised. However, because of the popular feeling widespread in some Entente countries, it is doubtful whether a formal and legal revision is as yet practicable. There must first come a further revision by historical scholars, and through them of public opinion."
Now, after fascism, a second world conflict, the cold war, and the fall of the communist regimes in Europe, the time has come to reopen the Versailles Treaty. The Treaty must be revised to specify the war guilt of an international conspiracy masterminded first by King Edward VII of England, and after him by Sir Edward Grey, of which figures like Izvolski, Sazonov, and Clemenceau were participants. The center of war guilt must be fixed in London.

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Sir Edward Grey Turned Sarajevo Crisis Into War

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Even after decades of British geopolitical machinations, it still required all of Sir Edward Grey's perfidy and cunning to detonate the greatest conflagration in world history by exploiting the diplomatic crisis surrounding the assassination of the Austrian heir apparent Archduke Franz Ferdinand on June 28, 1914 in Sarajevo, Bosnia.
Sir Edward Grey had learned an important lesson in the Moroccan crisis of 1911, when Germany sent the warship {Panther} to Agadir to secure German interests there, which were in conflict with those of France. This lesson was that if Germany clearly perceived in a crisis that there was a direct risk of Anglo-German war, Berlin would back down, frustrating the war party in London. In the Agadir crisis, the British minister Lloyd George had delivered a clear public warning to Berlin, and Germany had replied at once that she was not seeking a permanent presence on the Atlantic coast of Morocco; the crisis was soon resolved.
The German chancellor from 1909 to 1917, Dr. Theobald von Bethmann-Hollweg, was an anglophile and a crony of the kaiser's student days, anxious to make concessions to London in order to secure peace. Sir Edward Grey declared in 1912 that any differences between England and Germany would never assume dangerous proportions "so long as German policy was directed by" Bethmann-Hollweg.
During the Balkan Wars and the Liman von Sanders affair of 1913, Grey cultivated the illusion of good relations with Germany. By mid-1914, Anglo-German relations were judged by Sir Edward Goschen, the British ambassador to Berlin, as "more friendly and cordial than they had been in years." But it was all a trick by Perfidious Albion.
Some weeks after the assassination of Archduke Franz Ferdinand, the Austrian government, blaming Belgrade, addressed a very harsh ultimatum to Serbia on July 23 demanding sweeping concessions for investigating the crime and the suppression of anti-Austrian agitation. The Russian court slavophiles were demanding war against Austria and Germany in defense of Serbia; these slavophiles were madmen on the strategic offensive who sought a general European war. In Vienna, the leading minister, Count Berchtold, and the chief of staff, Conrad von Hoetzendorff, were determined to use the crisis to smash Serbia, which they saw as a

threat to the survival of their empire. Berchtold and Hoetzendorff were madmen on the strategic defensive, even if they assumed the tactical offensive against Serbia. Their aggressive intentions involved Serbia, but not other great powers. When Serbia issued a conciliatory reply to the Austrian ultimatum, Kaiser Wilhelm II and others were relieved and thought that the war danger had receded; but the Vienna madmen seized on minor refusals by Serbia to declare war on July 28.

If Sir Edward Grey had sincerely wished to avoid war, he could have pursued one of two courses of action. The first would have been to warn Germany early in the crisis that in case of general war, Britain would fight on the side of France and Russia. This would have propelled the kaiser and Bethmann into the strongest efforts to restrain the Vienna madmen, probably forcing them to back down. The other course would have been to warn Paris and especially St. Petersburg that Britain had no intention of being embroiled in world war over the Balkan squabble, and would remain neutral. This would have undercut the St. Petersburg militarists, and would have motivated Paris to act as a restraining influence.

Grey, a disciple of Edward VII, did neither of these things. Instead he maintained a posture of deception designed to make Germany think England would remain neutral, while giving Paris hints that England would support Russia and France. These hints were then passed on to Russian Foreign Minister Sazonov, a British agent, and to Czar Nicholas II. In this way, French {revanchistes} and Russian slavophiles were subtly encouraged on the path of aggression.

Grey's deception of Germany meant assuming the posture of a mediator rather than a possible party to the conflict. In early and middle July, Grey proposed direct conversations between Vienna and St. Petersburg to avoid war, but dropped this when French President Poincaré, a war-monger, responded that this would be "very dangerous." On July 24, Grey shifted to a proposal for mediation by other great powers of the Austrian-Russian dispute. On July 26, Grey proposed a conference of ambassadors from England, France, Italy, and Germany, which was declined by Germany for various reasons. Grey's charade of war avoidance contributed to complacency in Berlin and a failure to do anything to restrain the Vienna crazies, since, the kaiser thought, if England did not fight, France and Russia were unlikely to do so either.

Edward VII's son King George V made a vital contribution to the British deception. Late on July 26, King George V told the kaiser's brother, Prince Henry, who was visiting England, that Britain had "no quarrel with anyone and I hope we shall remain neutral." This was seized upon by the pathetic kaiser as a binding pledge of British neutrality for which, he said "I have the word of a king; and that is sufficient for me." The gullible Kaiser Wilhelm was kept thoroughly disoriented during the last critical period when Germany could have forced Vienna to back down and avoid general war, before the fateful Russian and Austrian mobilizations of July 30 and 31.

THE DECLARATION OF WAR

It was late on July 29 before any warning of British armed intervention in the looming conflict was received in Berlin. When German forces entered Belgium in the context of the Schlieffen Plan (the German plan for a two-front war against France and Russia), Grey declared war at midnight Aug. 4-5, 1914.

The British were the first of the great powers to mobilize their war machine, in this case the Grand Fleet of the Royal Navy. On July 19, the British had already staged a formidable naval demonstration with a review of the Grand Fleet at Portsmouth. On the afternoon of July 28, Winston Churchill ordered the fleet to proceed during the night at high speed with no lights from Portsmouth through the Straits of Dover to its wartime base of operations at Scapa Flow, north of Scotland. On July 29, the official "warning telegram" was sent out from the Admiralty; the British fleet was now on a full war footing.

The first continental state to mobilize had been Serbia, on July 25. The order of general mobilizations was Serbia, Great Britain, Russia, Austria, France, and, finally, Germany.

The Versailles Thesis: The Roots of WWI, and WWII

Conference Speech by Webster Tarpley, Schiller Institute Food For Peace Conference, Chicago, Illinois, February 22-23, 1992.
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I would like to attempt to illustrate the Versailles thesis in a certain amount of detail. I would say to people at the beginning, the best seats are emphatically here in the front part of the auditorium, because if you don't see these maps, it will be a little difficult to follow. So I urge you if you can, come up to the front.

The Versailles thesis has been referred to several times in the course of today's proceedings already, and it is, in short, the idea that the world system or world order which is presently collapsing around our ears, is rooted above all in the events of the First World War between 1914 and 1918; and then in the Versailles Treaty of 1919, actually in the Peace of Paris of 1919.

The thesis goes on to specify, that World War I itself was the consequence of British geopolitical geostrategic decisions that were made in the period around 1870, in the wake of the American Civil War. That the British, from 1870 to 1914, actively sought a general conflagration for the purpose of destroying civilization and for preserving the British Empire as against the challenges that had emerged.

Now the theme in this is constantly, the British quest for the single empire. Lyndon LaRouche referred to it before, I believe, the idea of a single new Roman Empire, an empire that would encompass the entire world, which would be under the ultimate domination of what the British considered to be an Anglo-Saxon master race. It would be oligarchical, colonial, imperialistic, malthusian, condemn large areas of the world to depopulation, poverty, and so forth; the preservation of the British Empire.

As we will see, the British came very close to establishing just such a single empire in the period between about 1848 and 1863. That is a period that we'll look at in some detail, because it's a period that's very like our own today, a period when the British-the Anglo-Americans-come close to establishing this kind of universal domination, the new Roman Empire.

In the course of this, I will have to simplify some things. We can certainly clarify some of those in the discussion, and I will have to proceed somewhat from the point of view of the British thrust in these directions, and you'll see the areas that pop up. We will also see the irony of history, that if the British came between 1850 and 1860, they came close to establishing their worldwide dominion, the irony is that then blew up in their faces, especially around the events of the American Civil War, the Russian cooperation with Lincoln during the Civil War, already referred to, to the point where by about 1870, the British had to fear a convergence of the United States, Russia, and united Germany, in such a way that the future of the British Empire would have been put into jeopardy, that British world domination would have been ruled out forever.

In the course of this, as you'll see-and this is Lyn's tremendous merit, to be able to do this under the conditions that he's working-we will develop a radically new view of the last 200 years of history, which you will not find in any textbook, and indeed from the point of view of this concept, you can see what a tissue of lies the history of the last 200 years, as presented in Anglo-American sources actually is, and in particular, the official U.S. version of World War I and World War II, which is a complete tissue of lies, and any idea of German war guilt for World War I has to go out the window, and it has to yield to the idea, that World War I was a British creation which the British schemed for the best part of a half century, to bring about.

Using the aids of modern technology here…[MAP NO. 1: Europe as redrawn at Congress of Vienna, 1815]

The question is, where do you start some kind of a review like this? We could usefully start it at the time of the American Revolution. What I thought we would do, though, is to skip to the end of the Napoleonic Wars, simply specifying that in the period before the Napoleonic Wars, in the period before 1815, the British were able to extend their colonial domination to vast areas of the world, including India and so forth, with of course the new nation, the United States, standing out as a barrier, as a challenge, to British imperialism. So let us leap to the end of the Napoleonic Wars, what many people know as the Europe of the Congress of Vienna, as you see here. This was Europe as the map was redrawn by the oligarchs gathered at the Congress of Vienna in 1815. So here's

our starting point.
Remember that in the world outside of Europe at this point, the British dominate. They rule the seas, the only significant challenge comes from the United States. Here's Congress of Vienna Europe. Notice Poland is completely submerged, Italy is divided, the Turkish Ottoman Empire extends far into continental Europe; and in the middle of everything, you've got this crazy quilt of Germany divided into dozens and dozens of petty states. Notice also that Belgium has been added to the Netherlands.
This is the Europe that you associate with Metternich, Prince Metternich, the guy who was ruling here in Vienna at that time, the chief minister of the Hapsburg Court. This is the Europe of the Holy Alliance. It is a condominium in which the British are obliged to co-exist with Metternich and the kinds of Central European oligarchs that he represents. Metternich is a very, very ugly figure, needless to say. The British are forced to deal with him almost as an equal. However, what you see–and this is I think a characteristic of this period, after about 1820, the British begin to drop out of the Congress of Vienna system. They stop going to the congresses, they stop signing the declarations, and rather what they do is to assume a position of splendid isolation and at the same time to foment revolutions against all of their alleged allies on the continent of Europe. And in particular, the names of Mazzini, Karl Marx, Bakunin, the First International Workingmen's Association, plus all of the French socialists, Louis Bland, Fourier, and all these other people; this is all a society of British agents for the destabilization of Metternich and company on the continent of Europe.
The British started a revolution here, in Serbia–they created that revolution in 1817. They created modern Greece in 1821; and the word went out from London, that the British oligarchs would support everybody's revolutions, except, of course, their own. And they fomented these things, and this is what gave birth to the revolutions of 1848.
I have to caveat this, by saying 1848 is also other things. There are a lot of very good people active in 1848, but the general thrust of the British policy, is clearly this.
Let me just show you what happened in 1848, in case people have forgotten this. Basically, every government in Europe was overthrown. The French July monarch was overthrown in favor of Louis Napoleon Bonaparte, a British agent and adventurer; every government in Italy was overthrown. In particular Mazzini succeeded in creating his Roman republic, forcing the pope to flee; Metternich himself was forced to flee from a revolution in Vienna; you had Kossuth in Hungary; every government in Germany was overthrown–not necessarily the monarch, but certainly the prime ministers–similar things in Spain, and so forth. The only country that escaped this was Russia, where there was no internal revolution.
With one fell swoop, the British had succeeded in overthrowing every government on the continent of Europe, in particular forcing Metternich to disguise himself as an Englishman and flee to London.
[NEXT MAP: 1848]
Here is this extremely interesting period between the 1848 revolutions and the turning points of the American Civil War, and this is something you won't find in any history book. This is an absolutely original concept that LaRouche has developed.
Let us look at the tremendous worldwide offensive of the British imperialists back in the 1850s.
First of all, free trade. Where did free trade ever come from? Free trade was introduced by the British in 1846 and in the following years. Before that, as you may remember, they had Corn Laws. Very high tariffs to keep the price of grain extremely elevated, but this was then turned around, because they could look forward to the idea of being able to loot the world and therefore have free trade.
The British were able to install their puppet, Napoleon III. He had studied the wars of Napoleon I, his ancestor, and he concluded that Napoleon's big mistake was fighting the British, so as so often happens in the history of French imperialism, here's a French imperialist who believes, that the way to have a French empire, is to be a junior partner to the British. That's exactly what he did. This is then acted out in the Crimean War, where the British and the French join together to invade Russia, the only country that had survived those 1848 destabilizations.
We've also got, in terms of a worldwide offensive, a reorganization of British rule in India. This is the famous Sepoy Mutiny of 1857, which led to the end of the direct rule of the British East India Company out there, and the creation of a British Viceroy of India.
In China, the Second Opium War fits precisely into this period. This is the British grabbing a whole series of ports and other bases on the coast of China, and it was clear at the time that they were about to go into China to partition the entire country.
And Kansas. How does Kansas fit in? Well, Kansas is the beginning of the American Civil War. Bleeding Kansas, with gangs of pro-Confederate and pro-Union, or pro-slavery and pro-abolitionist groups, fighting it out in a continuous bloodletting. Filibustering expeditions by proto-Confederates into Latin America, and the creation of this Hapsburg/Maximilian Empire in Mexico. You look at this together, there's not one continent of the entire globe where the British are not in a tremendous offensive. The idea is that the single empire is within their grasp.
Now, pause for a second. It's very similar to today. If you look at this, it looks like the British on paper have wrapped up the entire world. And you could say today, if you look at the map, if you calculate, you could say, well, it really looks like the Anglo-Americans have dominated the world, and that the Anglo-Americans will continue to dominate the world for the next century. But let me just anticipate that it's not going to be so.
[MAP OF CRIMEAN WAR]
Here's the Crimean War. Here we are on the Black Sea, and what do we find here? The Ottoman Empire, of course; Russia up here, so who goes in? The British and the French bust through the Bosporus and the Dardanelles, and they actually invade the Crimea here. This was one of the largest amphibious war operations, the largest up to that time to be sure. And they succeed in defeating the Russian Army, although what they find is, that their forces are not significant enough to push further inside the country.
[MAP OF BALACLAVA]
This is the city of Balaclava. If you remember, Tennyson's "Charge of the Light Brigade"? This is one that Fred Wills could quote at great length. The charge of the Light Brigade took place here. This is the British invasion fleet, Anglo-French invasion, and there are some very large Russian forts in the background, and that's what the British threw their Light Brigade against. So here we are in the Crimean War.
[MAP]
Maximilian! Remember him? The Hapsburg heir who was placed on the throne of Mexico by a French army, sent by Louis Napoleon Bonaparte? There he is.
The idea was to begin to reintroduce direct colonialism, by British or by British puppet states, into Mexico, Central America, and Ibero-America in general.
[INDIA]
In India, as we saw, the Sepoy Mutiny led to a vast reorganization of British colonialism in the area, sending out a viceroy from London and before too long, Queen Victoria was proclaimed "Empress of India," with this great empire, ruling over maharajahs and other local potentates.
We have to pay special attention to the 1850s in the United States, and Lyn has been very emphatic about this.
If you look at the United States in the 1850s, then you have to conclude that the place was a dead duck-lost. Why?
Let's start with the leadership. Let's look at the great series of presidents: Millard Fillmore, starting in the 1850s; Franklin Pierce, the ancestor of Barbara Pierce, Barbara Bush; and James Buchanan. This was the president under whose term the Civil War actually began to break out. Someone said that this shows that one President Buchanan was enough.
What happened under these? This is typical.
Here's Jefferson Davis, wearing his uniform of major general of the United States Army. He was not just a major-general; he was secretary of war under these administrations.
So what you had under presidents like Fillmore, Pierce, and Buchanan, was that the Confederate traitors, like Jefferson Davis–members of the British Scottish Rite Freemasons, proto-Confederate slaveholders, traitors, the scum of the earth; they could make great careers in the United States Army. And, of course, later on, this was the same Jefferson Davis who became the president of the Confederate States of America, that despicable puppet state.
And again Lyn has warned us: Don't be fooled by the Confederacy. Don't be fooled by that Sir Walter Scott aura of chilvalry and J.E.B. Stuart wrapped up in God knows what that's palmed off as the ethos of the Confederacy. This was based on human slavery, this was one of the most despicable, proto-fascist states that has ever been seen on the face of the earth. Davis was the president.
People like Ulysses S. Grant, that you see here, could not make a career in the Army. It's interesting to see, that while Jefferson Davis was getting promoted, generals like Sherman and Grant were forced out of the U.S. military service, and had to go into business,

they had to go into the private sector, to try to earn a living.
Here's a typical Confederate. We've talked a lot about him. Judah P. Benjamin: he was the secretary of the treasury of the Confederate States of America. At the end of the Civil War, he fled to Britain, where he lived. This is precisely the kind of British imperialist agent that you find in the upper reaches of the Confederate government. He is, of course, an agent in particular of the Rothschild family of London, and this mixture of what you would have to call Zionism and Confederacy today, that animates an organization like the Anti-Defamation League. That's exactly what this is. The ADL today continues the characteristic mentality of Judah Benjamin.
And then, you look in the Union officers corps. How about this guy? He thinks he's Napoleon, or he's checking if he's still got his wallet. That's George McClellan, who, in 1862, 1861-62, was the commander of all the Union armies. And here he is at Antietam.
This is the battle where McClellan had a good chance to destroy the Confederate Army under Lee. But he refused to do that. McClellan refused to attack on many occasions, because he wanted a negotiated peace. He said, "I can sit down with Robert E. Lee and work this out, and Abraham Lincoln doesn't really belong in this, because he doesn't understand these things the way I do." This is an interchange, where Lincoln is basically telling him, "Why didn't you pursue Lee? You could have destroyed him on the battlefield, and you refused to do it, now the Civil War's going to go on for three more years."
Here's the way this was viewed in a cartoon of the day. This is pro-McClellan propaganda. Here's Lincoln on the one side and Jefferson Davis on the other, and here's George P. McClellan who's trying to reconcile them, mediating between them if you will. And of course he was the Democratic presidential candidate in 1864; and if it hadn't been for Sherman at Atlanta and Phil Sheridan in the Shenandoah Valley and the naval battles off Cherbourg, France, then he might have won, and that would have been the end of the Union-because that was the idea, that the negotiated settlement would leave the Confederate States of America in existence, as a British puppet state.
Now, let's look at the way in which this world, which seemed lost, blew up in the face of the British.
A reforming czar in Russia, Alexander II. He came in in the midst of the Crimean War, just as his country was under tremendous attack, came in with a vast program of reforms, in particular, the freeing of the serfs in 1851. Then we've got the turning-point year 1863, the Emancipation Proclamation, the twin Union victories of Gettysburg and Vicksburg especially, and, as we will see, the arrival of the Russian fleets in New York and San Francisco.
The Seven Weeks' War. This is one that's hardly known. This was the defeat of Austria by Prussia, which was the immediate prelude to the complete unification of Germany. The collapse of Maximilian's Hapsburg Empire in Mexico; German unification completed. And as we've stressed, what came out of these events, this tremendous turnaround of the 1860s, when all seemed to be lost, was a convergence of the United States, Russia, and Prussia-or call it Germany by that time-which attracted the attention of key forces in Japan and China. If you go back to Japan in this period, the reforming forces in Japan divide pretty much between pro-American and pro-German.
Here was the potential for a new combination in the northern hemisphere, the United States, Russia, Prussia, plus China and Japan, that would have been sufficient to dominate the world, and finish off the British Empire once and for all. Let's take a look at how this went.
Of course, the principal figure in this is Abraham Lincoln, who administered one of the most severe defeats that British imperialism has ever had to absorb in the last 200 years.
This is Lincoln's ambassador. This is the original Cassius Clay, Cassius Clay of Kentucky. He was the Union ambassador to St. Petersburg at the time of the Civil War, and he secured really the only military assistance from any foreign power for Lincoln and for the Union.
This is Admiral [] The photographer here is Mathew Brady, and Mathew Brady, the great Civil War photographer, had his studio in New York City. And here's Admiral [], the commander of the Russian Atlantic fleet. Did he come all the way to have his picture taken? Obviously not.
The Russian fleet arrived in September and October. It sort of came in one ship after another, over a period of a couple of weeks. In September and October the Russian Atlantic fleet arrived in New York City, and they had been ordered by the Czar to place themselves under the command of Lincoln in case of war between Britain, and France on the one side, and the Union on the other. Russia was going to join in that war. They had just fought the Crimean War against the British and the French, and they were ready to continue fighting.
Similarly, another Russian fleet came to San Francisco, and spent the winter of 1863-64.
Here is another photograph by Mathew Brady. These are actual sailors of the Russian Atlantic fleet, who came into New York City in the fall of 1863, and played a key role in the saving of the Union, because this was a token of the fact, that if, for example, Napoleon III sent an army to fight the United States, then he would probably have to deal with Russia, on the continent of Europe. As Gideon Welles, the secretary of the navy for Lincoln in those days said: "Thank God for the Russians."
Here's that other one that I just mentioned. This is a war that in the United States you almost never hear about. here is a war between Prussia on the one side, and Austria on the other. And this is the Seven Weeks' War. The Prussian army was capable, within a period of about 50 days, of vanquishing the Austro-Hungarian forces. I think what the interesting thing about this is, this took place in 1866. What has never really been looked into, is the relation of Gettysburg on the one side, with German unification on the other. Would it be possible for Germany to have been unified, if Lincoln had not won the Civil War? I would submit to you, that Gettysburg and Vicksburg are key turning points of world history, also in the sense that they opened the door to the unification of Germany.
One interesting fact. The kingdom of Hanover, here, which is, of course, where the British royal family comes from, was an island. It had ceased to exist as a result of this war. The Prussians simply put an end to the existence of Hanover. I can assure you the British didn't like that; they would have done something about this, if they had not been so thoroughly defeated in the U.S. Civil War.
Here's unified Germany. Again, if you look at this map with the colors, you can see the crazy quilt that had existed, Bavaria down here, Baden-Wurttemburg over here, Mecklenburg-Schwerien and so forth; this was now brought together as one powerful unified national state by 1871. So, U.S., Russia, Prussia.
However, the British Empire was, of course, very powerful at this point. Many people think, they tend to situate the British Empire high point back in the days of George III. Well, these are figures from 1909 and they will show you, that in 1909, the British dominated one-quarter of the population of the world in the British Empire. One-quarter of the world's population were subjects of the British Empire and about one-fifth of the world's land surface. There are other accounts that will tell you it's about 25 percent of the population, and indeed 25 percent of the land surface. Remember that the British Empire got even bigger after the First World War by absorbing German colonies, so much so that the entire coastline of the Indian Ocean, was completely British controlled. This was then called "the British Lake."
And there, of course, is the old Brzezinski arc of crisis, which is simply the axis of British colonialism around the Indian Ocean.
What could the continental Europeans do to resist this kind of British domination?
Well, this is the railway system on the continent of Europe at about 1900. I think one interesting thing to us as you look at us, is that it's clear there are three key points in the European railroad system. There's Paris, there's Berlin, and there's Vienna. That's Budapest over there, think of that as a kind of second center. The only thing that comes close is Milan, but then you've got the Alps here, with a low density of railroads up there.
So it's clear that a European infrastructure and railroad triangle, here, does comprehend the densest area of industrial and infrastructural development. At the same time, there were railroads being built out here into the Russian Empire; and in particular, we have to mention here, the great Count Sergei Witte, who grew up as an employee of the Russian imperial railway system. He worked first of all in the railway ministry, became transportation minister, later finance minister. And what he promoted, was the building of this Trans-Siberian railway, the greatest infrastructural project of the 19th century, greater even than Lincoln's transcontinental railroad, and as you see it goes all the way from St. Petersburg up here, all the way across Central Asia; the original form of it went across Manchuria to Harbin and then to Vladivostock; later on, a second line was added up here, to avoid Chinese territory. It linked up to the Chinese railway system-for example, from Harbin to Beijing and to these other areas here, Darien, Port Arthur, and so forth.
There is also a Russian system, as you see, just to follow this a

little bit, there's a second railway system which is called the Transcaspian, which gets right down to the base of the Caspian Sea, comes right across to Iran, and-look-here's British imperialism in India, coming up against the Russian Empire, with just this little Afghani buffer state in between.
So look at this tremendous ability of Witte's project to reach out and create an actual Eurasian railroad bloc. As was mentioned before, Witte's strategic concept was that France, Germany, Russia should not fight each other. They should make an alliance against Britain in particular. That would have spared them all of the carnage of World War I, and it would have robbed the British of their geopolitical strategy. The British geopolitical strategy, of course, was to dominate the United States, dominate Japan if they could, and then go into the so-called heartland, and play the forces of the heartland against each other, play France against Germany, Germany against Russia, and so on down the line. Witte's strategic concept would have made World War I impossible.
And here's the other great railroad project. This is now the Berlin to Baghdad Railway. You only see the Asia Minor part of it here, the Balkan and Asia Minor parts, but suffice it to say that this started in Berlin, came down here through the Hapsburg dominions, across the Bosporus on barges; went through Anatolia, through what is today Syria, and then into Mesopotamia, Iraq, reached Baghdad, reached Kirkuk, Mosul, Basra, and finally Kuwait. And this was going to be built between about 1900 and 1915. It was never completed; this would have provided an alternate route to India; it would have challenged the British domination of their empire lifeline; this was primarily the idea of Georg von Siemens of the German industrial family but it was pursued also as a goal of German foreign policy. And if you put together the two maps that I've just shown you, the Trans-Siberian Railway and this Berlin to Baghdad railway, this would have made Berlin the rail hub of the universe, with the ability to call on an entire Eurasian hinterland, and of course this the British were determined to avoid at all costs.
Now some people may ask: If the British decided in 1870 or thereabouts, if Disraeli, Gladstone, Lord John Russell, Queen Victoria, and a few other people sat down at the table and said, "Well, let's have World War I," and they did that in 1870, and that's about what they did, why did it take so long for World War I to come about?
I would simply point to a couple of questions of Bismarck's foreign policy. The guy who superintended the creation of united Germany was, of course, Bismarck. He's a mixed figure: part monster, part realpolitiker. Bismarck as a realpolitiker, was a great realist. He knew that there could be no general war in Europe, as long as Germany and Russia maintained good relations. This picture you see up here is the alliance system created by Bismarck. And you can see the result of it is, that Germany has plenty of allies; France has none; France cannot start any wars-these pro-British governments in Paris-and the British are forced to stay off the continent of Europe pretty much. And in particular I would stress the good relations between Berlin and St. Petersburg, between Germany and Russia, first under the so-called alliance of the Three Emperors-Dreikaiserbund-and then the so-called Reinsurance Treaty.
So from 1870 to 1890 or thereabouts, this is what Europe looked like.
The bottom part shows what happened when Bismarck was forced out of the scene and the lunatic Emperor William II (this is Kaiser Wilhelm, this is the guy you remember from the World War I period, when he came in). Kaiser Wilhelm did not understand, he rejected the importance of an alliance with Russia. This allowed France to make an alliance with Russia in 1894 and very soon after that, the British were brought into this, and you have the Triple Entente of Russia, England and France, all directed against Germany; Germany is left with only one real ally, the Austro-Hungarian Empire, this was not a good ally, with allies like this you don't really need enemies, and the way for World War I was actually clear.
The other thing to stress about this is the colonial rivalry in Africa. Lyn has talked about the Fashoda incident of 1898, there it is. The British wanted to unite a strip of territory from Cairo all the way down to the Cape. This was the way the British wanted to put Africa together. There were some French imperialists who said no, we're going to start over here in Dakar, and go to Djibouti; and these two groups clashed in Fashoda and the mentality that won out on the French side under Theophile Delcassé was the idea, that if you wanted to have an empire, you've got to do it with the British because you're not strong enough to do it against them, therefore, make a deal with British imperialism, that's the key to the Entente Cordiale of 1904.
With that, everything is ready for World War I. Here you see Europe as it was in July and August of 1914. The Russian Empire, the Ottoman Empire here; the Austro-Hungarian Empire, and, as you see, a very large Germany.
The British had played this Eastern Question card, the Eastern Question meant their desire to destabilize the Ottoman, Russian, and Austro-Hungarian Empires.
The thing that we have to stress about the way the war was conducted, is that the United States fought on the wrong side. That's one of the key turning points in which the twentieth century went wrong. It was wrong for France to ally with the British against Germany; but it was doubly wrong for the United States to go into World War I on the side of the British. The catastrophes of this century would have been avoided to a very large degree if, for example, the United States had gone in on the side of Germany. That would have made all the difference. That would have created a much better world than the one that we're confronted with today.
And here's the fighting. You see these fighting fronts? There's a western front over here, there's a tremendous eastern front, an Italian front, there's a Balkan front, there's a Russian-Turkish front out here, and look: even out here, there was a Kuwait front. Norman Schwarzkopf, where are you? This was done by the British. They tried to get to Baghdad-they didn't get there either.
And, of course, the reality of World War I is that this is the greatest single tragedy, the greatest single hecatomb of western civilization. Nine million dead. These are French troops getting out of their trucks. They're going to go fight the battle of Verdun, where, over a period of 6 or 8 months, several million men were killed.
It's about 9 million killed outright, 20 million wounded, and if you add in the Spanish flu and a few other things, you get up into the area of about 25 million to thirty million dead as a result of World War I. And the majority of that, was Germany and France, the two most developed countries of western Europe.
Here is now the Europe that emerged after the Peace of Paris, so this is now Versailles, we're now in the midst of Versailles, bringing World War I to an end. You can see the changes that have been made, a very large Poland up here, a rather large Czechoslovakia, a large Rumania, a fairly large Hungary. Notice also that Yugoslavia has been created-probably the most typical territorial change of Versailles, this Peace of Paris of 1919, is the existence of Yugoslavia.
You can also see the creation of Finland and Latvia, Lithuania, Estonia, up here in the Baltics.
This territorial system that came out of this, was vastly unpopular. Nobody was really satisfied with all of this. It awakened desires on the part of various groups, nobody liked it, it was fought in particular by Ataturk in Turkey, there was a mass movement in China against the idea that the German colonial possession were transferred to the Japanese under this same treaty. In Italy, there was so much discontent that this led to the rise of fascism, similarly in Germany, and so on down the line.
Here's Germany as it came out of World War I. Notice the areas that were taken away; and now, of course, the Oder-Neisse line over here is the border of Germany.
I would stress in the Versailles system: the way in which the Ottoman Empire was partitioned in 1919. This was all the Ottoman Empire. Everything that you think of as being the Middle East-including Turkey, Israel, Lebanon, Syria, Iraq, Kuwait, Saudi Arabia; all of these were created at the Peace of Paris-in particular the Treaty of Sevres. Israel took a little bit longer to create, but basically the mandate of Palestine under the British is what then later became Israel. Also notice Serbia up here.
Hungary, Austria: this empire ceased to exist. Austrians, Hungarians, Czechs, Slovaks, Italians, Slovenians, Croatians, and others, departed this empire, and, of course, I have to apologize for this map, this is a U.S., sort of pro-Woodrow Wilson map, because it lists "Yugoslavs" as Serbs, Croatians, and Slovenes, and, of course, that's precisely what Yugoslavia was all about. This did not have anything to do with the wishes of those involved. This was a reward to Serbia by the British and their friend, Woodrow Wilson.
And Russia: the Russian Empire was dismembered. Here we see Finland taken off, the Baltic States taken off, Bessarabia, today Moldova taken off; areas in the Transcaucasus taken off. The Russian Empire has already been through one dismemberment in the 20th century. It's now going through the second dismemberment. And we must warn, that unless economic dirigistic policies are introduced in these new states, to make them viable, to make them prosperous, to make them stable, then, as Helga was saying earlier, there is every danger, that those states will then be re-engulfed by a Russian Empire within about 15 or 20 years, or

even less. In this case, it took about 15 or 20 years, for the Russian Empire to make its comeback under Stalin.

The other thing about Versailles that I would like to stress very much, is the financial arrangements, because here we can really see the degree to which today's world is an extension of the Versailles System.

Germany, under the Treaty of Versailles, was required to pay $32 billion of reparations. It was said that the Germans bore the war guilt; that they were responsible for World War I. Big lie! But the reason for the big lie, was that they had to pay $32 billion-it's hard to calculate that in today's terms. Those were gold dollars, those were real dollars, maybe $32 trillion is some idea of what that would have meant today, and because of the 5 percent interest rates, this was going to be paid over about 60-70 years. By one calculation, the Germans would have wound up their payments about 1990. They would have just finished paying for World War I two years ago.

This was going to go up to about $100 billion because of the accrued interest over the period. So let's say, $100 trillion of reparations.

The French had borrowed $25 billion during the war, and the British and the French had borrowed about $10 billion from the United States. So here's the merry-go-round. Germany, of course, was not allowed to export. They were kept blockaded for a long time. They had to pay these reparations to the British and the French. Notice that the French had to also pay the British. The French and the British then paid the United States, and the Wall Street bankers, under the Dawes Plan and the Young Plan, then refinanced the Germans, so that they could keep paying. And that is a system of usury and destruction. It, of course, meant that the heart of Europe would be economically depressed; that Germany would be depressed, economically, that there would be no development of the Third World as a result of European capital goods being sent out. It virtually guaranteed fascism and bolshevism advancing against the middle class societies; and it had within it the seeds of World War II. In other words, what Lord Keynes said about this, that it would require economic slavery in Germany, was absolutely accurate. It was a way of squeezing Germany until you could hear the pips squeak, as Keynes said.

So let's just summarize what we've gone through on this Versailles System.

What we've done here, is to compare the Versailles arrangements of 1919 with the Yalta arrangements of 1945, which have now collapsed. The Versailles System had a League of Nations. Who was in the Security Council? The U.S., Britain, France, Italy, and Japan. Those were the Big Five. The U.S. didn't even join it, but the British wanted to run the world that way, as a condominium. And, of course, under the U.N., we've got the Security Council.

Under Versailles, you have the Bank for International Settlements in Basel, Switzerland. It's still there. This is widely considered today to be more powerful than the IMF and the World Bank and the other institutions that were then put up under the Yalta system after the Second World War. We've mentioned this $32 billion in reparations, the $10 billion in war debts, the immense internal debts of all these countries. After the Second World War this was the démontage of German industry, simply taking it out, primarily by the Russians, but above all, the conditionalities of the IMF as they have been imposed on the former colonial sector.

Continuing this comparison. Under Versailles you had a war guilt clause saying that Germany was responsible for World War I, and under Yalta, the same thing. Collective guilt. Every German is responsible for everything that Hitler did. Typical on the geographic changes that I've just mentioned, Yugoslavia is a very typical one. Under Yalta, it's the Germanies not simply cut down, but even divided.

And then, look at the Middle East as one example of what this meant for the Third World. Under the League of Nations there were these mandates. The British got the mandate of Palestine. That then became Israel. The British Foreign Office with the Balfour Declaration announced that it was going to create the state of Israel. This was then included in the secret British-French Sykes-Picot accords, and finally the Treaty of Sèvres, which was the treaty with the Ottoman Empire.

What does that lead to? To your typical Yalta arrangement of endless wars of Israel against the Arab states. All these Middle East wars, 1948, 1956, 67, 69, 73, the Iran-Iraq War of '80, and finally the Gulf War of 1991.

That brings us pretty much up to the present time.

I haven't been able, for reasons of time, to go into certain postwar events that are better known. A couple of things to say in conclusion.

What is the purpose of all this? Why did the British insist on this? The British insist on a world system or a form of organized chaos, which is what you see here, based on an irrational principle of arbitrary power. Oligarchy. The idea that the British royal family, the British house of Lords, the British aristocracy and oligarchy, have the God-given right to rule. The Anglo-Saxon master race. And they can inflict suffering on the entire rest of the world in the name of this lunatic, imbecilic principle of their power. Therefore, the purpose of this entire system, is to crush humanity. Sure, you can say, it's really directed against Germany to keep the Germans down, to keep them divided. To keep the Germans and the Russians at each other's throats; to keep the French and the Germans at each other's throats. It also implies that the United States is subjected to colonial rule, which you see.

So all of these great nations are humiliated, each in its own way, by this Versailles System. But the purpose of it ultimately is to crush the entire human race, because one of the effects of this entire system, is the poverty and economic backwardness of the developing sector today, which is directly due to these Versailles and Yalta arrangements.

We also have to ask ourselves: What is the center of evil in the world? Well, for a while there was Hitler and the Nazis. This was certainly very evil; Mussolini and the fascists. The Bolshevik Party has gone out of existence-Stalin's party, Lenin's party is really no longer there, it could be reconstituted, I suppose. Mao and his heirs in China are still in power, but it looks like their future is going to be a limited one. So ultimately, you have to ask yourself: What is the problem of evil in the 20th century in particular, because it has turned out not to be fundamentally, in the last analysis, any of those, but rather, the British oligarchy. British geopolitical thinking. The idea of dividing the world along these lines, and creating a series of endless wars.

We also have to recall, as we saw back in the 1850s, that when the British seemed to be on the verge of taking everything, that is the moment when the intrinsic weaknesses of their system, pop out. As Lyn said the other day, this is an Anglo-American system that destroys its enemies, to be sure, but it destroys its sponsors and its owners with an even greater certitude. It's a system that literally devours its own flesh-as you see today, when it looks like the Anglo-Americans are ready to take over the entire world, but at the same time they're collapsing internally so fast, that it is clear that they will not be able to impose any permanent world order of any type.

And I think finally, what it means for us, is that this is a tremendous opportunity, because there is now a complete political and strategic vacuum and economic vacuum, all around the world. There is a vacuum of ideas; there's a vacuum of strategy, a political vacuum-look at the Democratic candidates for president, five-pack, the dwarves, and you can see that that is a vacuum of personalities, policies, and ideas. And Lyn has always stressed, that this is now the time to advance to fill that vacuum with the kind of solutions which his candidacy, and our organizations uniquely represent.

I am, for my own part, convinced, that there will be breakthroughs for Lyn's presidential candidacy during the course of this long season, the primary season from now until June; the presidential season that goes all the way to November. There will be breakthroughs. When and how, I do not know. But we must take advantage of the fact, that the systems that have controlled the world in a certain manner of speaking, for the past 70-80-90 years, that these are now collapsing in front of our eyes, creating tremendous political opportunities.

Lyn has also stressed, that you cannot engage in politics today, unless you have this kind of a scope-unless you go back to the Congress of Vienna, 1848, the British drive toward the single empire, and then that convergence of Lincoln, Alexander II, and united Germany that gave the British such a scare that they started World War I and created the Versailles System.

The Versailles Treaty: The War Guilt Clause

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The entire international public order of the post-1919 era, including the League of Nations and, by extension, the United Nations, has been based on the absurd lie that Germany was solely responsible for the outbreak of World War I. This finding was officially reported to the Paris Peace Conference at the close of the war by a "Commission on the Responsibility of the Authors of the War," which was chaired by American Secretary of State Robert Lansing. Lansing refused to allow any Germans to take part in his deliberations, and the commission ignored a new "German White Book" compiled in 1919 by Hans Delbrûck, Professor Mendelssohn-Bartholdy, Count Montgelas, and Max Weber, which contained enough evidence to show that the thesis of exclusive German war guilt was untenable. The kernel of Lansing's conclusions was as follows:

"The War was premeditated by the Central Powers together with their allies, Turkey and Bulgaria, and was the result of acts deliberately committed in order to make it unavoidable. Germany, in agreement with Austria-Hungary, deliberately worked to defeat all the many conciliatory proposals made by the Entente Powers."

This false verdict was then incorporated into the infamous Article 231 of the Treaty of Versailles, which alleges:

"The Allied and Associated Governments affirm, and Germany accepts, the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies."

The German delegates were coerced into signing the Versailles Treaty by threats of renewed war and by the economic blockade still imposed on Germany after the armistice by the fleets of the Entente. The thesis of exclusive German war guilt was required by the Entente as a premise for the Carthaginian peace imposed on the Central Powers, which included the demand for more than $32 billion in war reparations, especially to France, plus interest for servicing this debt over decades into the future.

In the years after the war, documentary evidence was published which further undermined the Big Lie of Versailles. This included Karl Kautsky's Outbreak of the World War, (New York, 1924), the Soviet Materials for the History of Franco-Russian Relations from 1910 to 1914, (Moscow, 1922), the Austrian Red Book of 1919, and the diary of Baron Schilling of the Russian Foreign Ministry (London, 1925).

The false verdict of Versailles had already become a scandal in America during the 1920s, when historians like H.E. Barnes demanded the revision of the war guilt clause. Typical is this conclusion from the academic historian Sidney B. Fay of Harvard in 1930:

"The verdict of the Versailles Treaty that Germany and her allies were responsible for the War, in view of the evidence now available, is historically unsound. It should therefore be revised. However, because of the popular feeling widespread in some of the Entente countries, it is doubtful whether a formal and legal revision is as yet practicable. There must first come a further revision by historical scholars, and through them of public opinion."

Now, after fascism, a second world conflict, the Cold War, and the fall of the communist regimes in Europe, the time has come to reopen the Versailles Treaty. The treaty must be revised to specify the war guilt of an international conspiracy masterminded first by King Edward VII of England, and after him by Sir Edward Grey, in which figures like Izvolski, Sazonov, and Clemenceau were participants. The center of war guilt must be fixed in London.

British Financial Warfare: 1929; 1931-33;
How The City Of London Created The Great Depression

The thesis of this paper is that the great economic and financial cataclysm of the first half of the twentieth century, which we have come to know as the Great Depression, was caused by the Bank of England, the British government, and the City of London. The potential for the Great Depression derived from the economic and human destruction wrought by World War I, which was itself a product of British geopolitics and especially of the British policy, exemplified by King Edward VII, of creating an encircling anti-German alliance in order to wage war. The economic destruction of Europe was continued after 1918 by the Peace of Paris (Versailles, St. Germain, Trianon, Neuilly, Sevres) imposed by the Allies on the defeated Central Powers. Especially important here were the 55 billion gold dollars in reparations inflicted on defeated Germany, along with the war debt burden of the supposedly victorious powers themselves. Never during the 1920's did world trade surpass the levels of 1913. Reparations and war debt were a recipe for economic stagnation.

The ravaged post-war, post-Versailles world of the 1920's provides the main backdrop for the following considerations:

1. The events leading to the Great Depression are all related to British economic warfare against the rest of the world, which mainly took the form of the attempt to restore a London-centered world monetary system incorporating the gold standard. The efforts of the British oligarchy in this regard were carried out by a clique of international central bankers dominated by Lord Montagu Norman of the Bank of England, assisted by his tools Benjamin Strong of the New York Federal Reserve Bank and Hjalmar Schacht of the German Reichsbank. This British-controlled gold standard proved to be a straightjacket for world economic development, somewhat along the lines of the deflationary Maastricht "convergence criteria" of the late 1990's.

2. The New York stock exchange speculation of the Coolidge-Hoover era was not a spontaneous phenomenon, but was rather deliberately encouraged by Norman and Strong under the pretext of relieving pressure on the overvalued British pound sterling after its gold convertibility had been restored in 1925. In practice, the pro-speculation policies of the US Federal Reserve were promoted by Montagu Norman and his satellites for the express purpose of fomenting a Bubble Economy in the United States, just as later central bankers fostered a Bubble Economy in Japan after 1986. When this Wall Street Bubble had reached gargantuan proportions in the autumn of 1929, Montagu Norman sharply cut the British bank rate, repatriating British hot money, and pulling the rug out from under the Wall Street speculators, thus deliberately and consciously imploding the US markets. This caused a violent depression in the United States and some other countries, with the collapse of financial markets and the contraction of production and employment. In 1929, Norman engineered a collapse by puncturing the bubble.

3. This depression was rendered far more severe and, most importantly, permanent, by the British default on gold payment in September, 1931. This British default, including all details of its timing and modalities, and also the subsequent British gambit of competitive devaluations, were deliberate measures of economic warfare on the part of the Bank of England. British actions amounted to the deliberate destruction of the pound sterling system, which was the only world monetary system in existence at that time. The collapse of world trade became irreversible. With deliberate prompting from the British, currency blocs emerged, with the clear implication that currency blocs like the German Reichsmark and the Japanese yen would soon have to go to war to obtain the oil and other natural resources that orderly world trade could no longer provide. In 1931, Norman engineered a disintegration by detonating the gold backing of the pound sterling.

4. In the United States, the deliberate British default of September 1931 led, given the do-nothing Hoover Administration policies, directly to the banking crisis of 1932-33, which closed down or severely restricted virtually every bank in the country by the morning of Franklin D. Roosevelt's inauguration. If Roosevelt had not broken decisively with Hoover's impotent refusal to fight the depression, constitutional government might have collapsed.

As it was, FDR was able to roll back the disintegration, but economic depression and mass unemployment were not overcome until 1940 and the passage of Lend-Lease.
As we have already hinted, we consider that these matters are not solely of historical interest. The repertoire of central bank intrigue, speculative bubbles, defaults, devaluations, bank rate manipulations, deflations and inflations constitute the essential arsenal being used by British economic warfare planners today.
The Maastricht "convergence criteria" with their insane deflationary thrust are very similar in effect to the rules of the gold exchange standard as administered by London, 1925-1931. For that matter, the policies of the International Monetary Fund are too. The parallel extends even to the detail of Perfidious Albion's gambit of opting out of the European Currency Union while watching its victims writhe in an deflationary straightjacket tailored between Threadneedle Street and Saville Row.
Since the summer of 1995 hot money generated by the low interest rates of the Bank of Japan has been used by hedge fund operators of the Soros school to puff up the world bubble. If the Bank of England's late 1996 switch to bank rate increases turns out to be a harbinger of world tight money, then it is possible that the collapse and disintegration of the world financial system will recapitulate other phases of the interwar years.
Lord Montagu Norman was always obsessed with secrecy, but the British financial press has often practiced an arrogant and cynical bluntness in its self-congratulatory accounts of its own exploits. Therefore, wherever possible we have let the British, especially the London Economist magazine and Lord Keynes, speak for themselves and indict themselves. We have also drawn on the memoirs of US President Herbert Hoover, who had moments of suprising lucidity even as he, for the sake of absurd free-market, laissez-faire ideology, allowed his country to drift into the abyss. As we will see, Hoover had everything he needed to base his 1932 campaign for re-election on blaming the Federal Reserve, especially its New York branch, for the 1929 calamity. Hoover could have assailed the British for their September 1931 stab in the back. Hoover would have been doing the country a permanent service, and he might have done somewhat better in the electoral college. But Hoover was not capable of seriously attacking the New York Fed and its master, Lord Montagu Norman.

ECONOMIC DECLINE AFTER WORLD WAR I

The roots of the crash of 1929 are to be sought in the economic consequences of World War I, which was itself a product of the British geopolitical machinations of King Edward VII and his circles. The physical impact of World War I was absolutely devastating in terms of human losses and material damage. This destruction was then greatly magnified by the insistence of London and Paris on reparations to be paid by defeated and prostrate Germany.
After a few years of haggling, these reparations were fixed at the astronomical sum of 32 billion gold-backed US dollars, to be paid over 62 years at an interest rate of 5%. Even Lord Keynes, in his "Economic Consequences of the Peace," compared this to the imposition of slavery on Germany and her defeated allies, or to squeezing a lemon until the pits squeak.
The reparations issue was complicated by the inter-allied war debts, owed especially by France and Britain to the United States. For a time a system emerged in which Wall Street made loans to Germany so that Germany could pay reparations to France, which could then pay war debts to Britain and the US. But this system was based on usury, not production, and was therefore doomed.
The most dramatic evidence available on economic stagnation during the 1920's is the fact that during this decade world trade never attained the pre-war level of 1913.

THE CABAL OF CENTRAL BANKERS

A dominant personality of the City of London during these years was Sir Montagu Norman, the Governor of the Bank of England during the period 1920-1944. Norman came from a line of bankers. His grandfather was Sir Mark Wilks Collet, who had himself been Governor of the Bank of England during the 1880's. Collet had also been a partner in the London firm of Brown, Shipley & Co., and also in the New York bank of Brown Brothers & Co., later Brown Brothers, Harriman, one of the most evil and most powerful banks in modern American history. The managing partner of Brown Brothers, Harriman during the 1930's was Prescott Bush, father of President George Herbert Walker Bush, and a financial backer of Hitler. The dominant figure at Brown Brothers, Harriman was W. Averell Harriman, Roosevelt's special envoy to Churchill and Stalin, head of the Marshall Plan, and the adviser to President Truman who was most responsible for starting the Cold War with Russia and for prolonging the Korean War.
Acting by himself and relying only on his own British resources, Montagu Norman could hardly have aspired to play the role of currency dictator of Europe. Norman's trump card was his ability to manipulate the policies of the United States Federal Reserve System through a series of Morgan-linked puppets.
Morgan's key puppet was Benjamin Strong of the New York Federal Reserve Bank, which then as now represented the flagship of the entire Fed system. Strong was Governor of the New York Federal Reserve Bank between 1914 and his death in 1929. Strong was an operative of the House of Morgan who had worked at Bankers Trust. In addition to what he could do himself, Strong had great influence over Andrew Mellon, who served as Secretary of the Treasury between 1921 and 1929 under Presidents Harding, Coolidge, and Hoover.
Montagu Norman also owned a large piece of Hjalmar Schacht, Governor of the German Reichsbank and later Finance Minister in governments in which Adolf Hitler was chancellor. Montagu Norman himself, along with King Edward VIII, Lady Astor and Sir Neville Chamberlain, was one of the strongest supporters of Hitler in the British aristocracy. Norman put his personal prestige on the line in September, 1933 to support the Hitler regime in its first attempt to float a loan in London. The Bank of England's consent was at that time indispensable for floating a foreign bond issue, and Norman made sure that the "Hitler bonds" were warmly recommended in the City.

THE FEDERAL RESERVE: CAUSE OF DEPRESSION

One of the main causes for the Great Depression was the Federal Reserve System of the United States. Many naive persons think of the Federal Reserve System as a part of the United States government, which it emphatically is not. Probably this is because the only money we have nowadays is marked "Federal Reserve Note." The Federal Reserve is a privately owned and privately managed institution. Those who can remember the 1960's can recall that there were one dollar silver certificates as well as United States Notes, the descendants of Lincoln's greenbacks, in several denominations. But after the Kennedy assassination, the private Federal Reserve established a monopoly on printing American money, shutting out the US Federal Government from this important function.
In this way the Federal Reserve System violates the letter and spirit of the United States Constitution. There, in Article I, Section 8, Clause 5 we read that the Congress shall have the power "to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."
The Federal Reserve was created in December, 1913 when Woodrow Wilson signed the Glass-Owen Federal Reserve Act. That bill had been the product of cloak-and-dagger machinations by Wall Street financiers and their political mouthpieces, many of them in league with the City of London. Wall Streeter Frank A. Vanderlip, in his autobiography "From Farm Boy to Financier" narrates that the secret conference which planned the Federal Reserve was "as secret - indeed, as furtive - as any conspirator." Vanderlip was one of the insiders invited to the Jekyl Island Club on the coast of Georgia in the autumn of 1910 by the Senator Nelson Aldrich, the father-in-law of John D. Rockefeller Jr. Aldrich also invited Henry Davison of J.P. Morgan & Co., and Benjamin Strong, the future Governor of the New York Federal Reserve Bank. Also on hand was Paul Warburg of the notorious international banking family, descended from the Del Banco family of Venice. As Vanderlip recounted, "We were instructed to come one at a time and as unobtrusively as possible to the railway terminal on the New Jersey littoral of the Hudson, where Senator Aldrich's private car would be in readiness, attached to the rear end of a train for the South."
On Jekyl Island this crew began to decide the main features of the central bank of the United States: "We worked morning, noon, and night….As we dealt with questions I recorded our agreements…If it was to be a central bank, how was it to be owned - by the banks, by the Government or jointly ? When we had fixed upon bank ownership and joint control, we took up the political problem of whether it should be a number of institutions or only one." In the end, says Vanderlip, "there can be no question about it: Aldrich undoubtedly laid the essential, fundamental lines which finally took the form of the Federal reserve law."

Today each of the twelve Federal Reserve Banks – Boston, New York, Chicago, San Francisco, and so forth – is a private corporation. The shares are held by the member banks of the Federal Reserve System. The Class A and Class B Directors of each Federal reserve Bank are elected by the shareholders from among bankers and the business community, and other Directors are appointed by the Federal Reserve Board in Washington.

Members of the Board of Governors of the Federal Reserve System in Washington are chosen by the President and must be approved by the Senate, for what that is worth. But when we come to the vital Federal Reserve Open Market Committee, which sets short-term interest rates and influences the size of the money supply by buying or selling government securities, the picture is even worse. The FOMC comprises 7 Fed Governors from Washington plus 5 presidents of Federal Reserve Banks appointed by the respective Directors of these banks. In practice, 5 Federal Reserve district presidents who have never been seen by the President or the Congress have a vote on setting the credit policy and money supply of the United States. Public policy is made by a private cabal of self-appointed plutocrats.

How was this sleazy product marketed to the Congress ? Interestingly, the Congressmen were told that the Federal Reserve System would prevent panics and depressions like those of the 1870's and 1890's. Here is a sampling compiled by Herbert Hoover of selling points used by lobbyists seeking votes for the Federal Reserve Act:

We shall have no more financial panics….Panics are impossible….Business men can now proceed in effect confidence that they will no longer pu their property in peril….Now the business man may work out his destony without living in terror of panic and hard times….Panics in the future are unthinkable….Never again can panic come to the American people.

[The Memoirs of Herbert Hoover, p.7]

The verdict of history must be that the Federal Reserve has utterly failed to deliver on these promises. The most potent political argument against this arrangement is that it has been a resounding failure. Far from making financial crises impossible, the Fed has brought us one Great Depression, and it is about to bring us a super-depression, a worldwide disintegration.

The Federal Open Market Committee was not part of the original legislation that created the Federal Reserve System. But in the early 1920's, some regional Federal Reserve Bank presidents, inevitably dominated by New York, formed a committee outside of any law to coordinate their activities in determning the money supply and interest rates through buying and selling of government securities – i.e., open market operations. This was a very successful power grab by the regional Reserve Bank leaders, all directly chosen by bankers and the private sector, and not subject to approval by anyone in Washington. In 1935 Franklin D. Roosevelt very unwisely signed a Banking Act which legalized the Federal Open Market Committee in its present form, with a formal majority for Federal Reserve Board Governors in Washington, the ones proposed by the President and approved by the Senate. But at the same time the Secretary of the Treasury, who used to be a member of the central Board, was ousted from that position.

THE BRITISH RECORD OF STARTING WALL STREET PANICS

The British had a long track record of using the London Bank Rate (that is, the rediscount rate of the Bank of England) for financial and economic warfare against the United States. The periodic panics of the nineteenth century were more often than not caused by deliberate British sabotage. A few examples:

- In the Panic of 1837, the stage had been set for depression by outgoing President Andrew Jackson's and Secretary of the Treasury Roger Taney's abolition of the Second Bank of the United States, by their cultivation of the state "pet" banks, by their imbecilic Specie Circular of 1836, which demanded gold payment to the federal government for the purchase of public lands, and by their improvident distribution of the Treasury surplus to the states. London's ultinmate weapon turned out to be the Bank of England bank rate. With all the American defenses sabotaged, the Bank of England sharply raised its discount rates, sucking gold specie and hot money liquidity back across the Atlantic, while British merchants and trading houses cut off their lines of credit to their American customers. In the resulting chaos, not just private banks and businesses went bankrupt, but also the states of Mississippi, Louisiana, Maryland, Pennsylvania, Indiana, and Michigan, which repudiated their debts, permanently impairing US credit in the world. Internal improvements came to a halt, and the drift towards secession and civil war became more pronounced.
- The Panic of 1873 resuted from a British-directed effort to ruin the banking house of Jay Cooke and Company, which had served Lincoln and his successors as a quasi-governmental agency for the marketing of United States Treasury securities and railroad bonds during and after the Civil War. The Cooke insolvency had been preceded by a massive dumping of US staocks and bonds in London and the rest of Europe. This was London's way of shutting down the Civil War boom that Lincoln's dirigist and protectionist policies had made possible. Instead, a long US depression followed.
- The Panic of 1893 was prepared by the 1890 "Baring panic" in London, caused by the insolvency of Barings Bank, the same one which went bankrupt and was sold off in the spring of 1995. In the resulting depression, the US Treasury surplus was reduced to almost nothing, and a budget defecit loomed. Using this situation as a pretext, British speculators drove the exchange rate of the dollar down to the point where owners of gold began exporting their gold to London. Treasury gold stocks dipped below $100,000,000, and then kept falling to $68,000,000; US national bankruptcy threatened. In response to this crisis, subversive President Grover Cleveland gave control of the US public debt to the New York banking houses of Morgan and Belmont, themselves British agents of influence. Cleveland "sold out to Wall Street" by selling US gold bonds to Morgan and Belmont at reduced prices, with the taxpayers picking up the tab; Morgan and Belmont promised to "use their influence" in London to prevent further British bear raids against the US dollar and gold stocks. All of this caused another long depression.

The economics profession is totally bankrupt today, with every Nobel Prize winner in economics with the sole exception of Maurice Allais qualifying for committment to a psychiatric institution. One of the reasons for the depravity of the economists is that their assigned task has always been one of mystification, especially the job of covering up the simple and brutal fact that American depressions have generally been caused by Bank of England and City of London bankers. All the mystical mumbo-jumbo of curves, cycles, and epicycles a la Schumpeter has always had the purpose of camouflaging the fact that the Bank of England bank rate was the nineteenth century's closest equivalent to the hydrogen bomb.

DEFLATION CRISIS OF 1920-21

The New York panic of 1920-21 represents yet another example of British economic warfare. The illusion that the existence of the Federal Reserve System might serve as a barrier against new financial panics and depressions received a nasty knock with the immediate postwar depression of 1920, which was a co-production of the Bank of England and the New York Federal Reserve. The British deliberately provoked this Wall Street panic and severe depression during a period of grave military tension between London and washington occasioned by the naval rivalry of the US and UK. The British Bank Rate had been at 6% from November 1919 until April 15, 1920, when it was raised to 7%. The bust in Wall Street began in the late summer of 1920. The UK Bank Rate was lowered to 6.5% in April 1922, and it went down all the way to 3% by July, 1922.

The Federal Reserve, as usual, followed London's lead, gradually escalating the discount rate to 7% in June, 1920 to detonate the bust, and descending to 6.5% about a year later. The argument used by the central bankers' cabal to justify their extreme tight money policy was the climate of postwar inflation, speculation, expansion and the freeing of consumer demand that had been pent up in wartime. This depression lasted about two years and was quite sharp, with a New York composite index of transaction indices falling 13.7% for the sharpest contraction since 1879. In many other countries this was the fiercest depression on record. As Keynes later complained, the US recovered much more rapidly than the British, who scarcely recovered at all. For the rest of the interwar period, the United Kingdom was beset by permanent depression.

The fact that this depression was brought on deliberately by the Norman-Strong duo is amply documented in their private correspondence. In December 1920, Strong and Norman agreed that "the policy of making money dearer had been successful, though it would have been better six months earlier. They agreed, too, that deflation must be gradual; it was becoming now too rapid and they favored a small reduction in rates both in London and New York." [Clay, Lord Norman, p. 132]

THE CRASH OF 1929

The panic of 1929 is a prime example of a financial collapse which was not prevented by the Federal Reserve. In fact, the 1920's speculaltive bubble and subsequent crash of 1929 was directly caused by Federal Reserve policies. Those policies in turn had been dictated by the world of British finance, which had been decisive in shaping the Federal Reserve to begin with.

During World War I, all the industrialized nations except the United States had left the gold standard. Only the United States had been able to stay with gold, albeit with special controls. During the 1920's about two thirds of the world's supply of monetary gold, apart from Soviet holdings, was concentrated in two countries – the United States and France. The British, who were fighting to preserve their dominance of the world financial system, had very little gold.

The British were determined to pursue their traditional economic imperialism, but they had emerged from the war economically devastated and, for the first time, a debtor nation owing war debts to the United States. At the same time, the British were fighting to keep their precious world naval supremacy, which was threatened by the growth of the United States Navy. If the US had merely built the ships that were called for in laws passed in 1916, the slogan of "Brittania Rules the Waves" would have gone into the dust- bin of history early in the 1920's.

The pre-war gold parity had given a dollar to pound relation of $4.86 per pound sterling. As an avid imperialist Montagu Norman was insisting by the mid-1920's that the pound return to the gold standard at the pre-war rate. A high pound was a disaster for British exports, but gave the British great advantages when it came to buying American and other foreign real estate, stocks, minerals, food, and all other external commodities. A high pound also maximized British earnings on insurance, shipping, and financial services – London's so-called "invisible exports" and earnings.

LORD NORMAN'S GOLD EXCHANGE STANDARD, 1925-1931

The nineteenth century gold standard had always been an instrument of British world domination. The best economic growth achieved by the United States during the century had been registered between 1861 and the implementation of the Specie Resumption Act in 1879. During that time the United States enjoyed the advantage of its own nationally controlled currency, Lincoln's greenbacks. Specie resumption meant re-opening the Treasury window where holders of paper dollars could have these dollars exchanged for gold coins. The United States in 1879 thus returned to a gold coin standard, under which paper money circulated side by side with $20 and $50 gold pieces. This practice proved to be deflationary and detrimental to economic development, while it increased American vulnerability to British currency manipulations.

The post-1918 gold standard de-emphasized the circulation of gold coins, although this still went on. It was rather a gold exchange standard, under which smaller countries who chose the gold standard could hold some of their reserves in the leading gold-backed currencies like the pound sterling or the dollar. These currencies were counted as theoretically as good as gold. The advantage to the smaller countries was that they could keep their reserves on deposit in London and earn interest according to the British bank rate. As one London commentator noted at the time, "… many countries returning to gold "have had such confidence in the stability of the system, and in particular in the security of the dollar and of sterling, that they have been content to leave part of the reserves of their currencies in London." [Economist, September 26, 1931, p. 549]

The post-1918 gold exchange standard included the workings of the so-called gold points. This had to do with the relation of currency quotations to the established gold parity. Norman wanted the pound sterling to be worth $4.86. If the pound strengthened so as to trade for $5, let us say, then the pound was said to have exceeded the gold import point. American and other gold would be shipped to London by those who owned gold. That gold would be deposited in London and would earn interest there. If, as later happened, the pound went down to 4 dollars to the pound, then the pound was said to have passed the gold export point, and British gold would be physically shipped to New York to take advantage of the superior earnings there. This meant that if Norman wanted to keep a strong pound, he needed to weaken the dollar at the same time, since with a strong dollar the British gold would flee from London, forcing Norman to devalue the pound sterling, lowering its the gold parity. Notice that gold movements were to a very large degree based on the decisions of individual banks and investors.

(During the later 1930's, after the a period in which the dollar floated downward in terms of gold, the United States under Franklin D. Roosevelt established a gold reserve standard, also called by FDR's critics a "qualified external bullion standard," in which gold transactions were limited to settlements with foreign central banks, while private citizens were barred from holding gold. This was similar to the gold reserve provisions of the Bretton Woods system of 1944-1971.)

Norman's problem was that his return to the pre-1914 pound rate was much too high for the ravaged post-1918 British economy to support. Both the US and the British had undergone an economic downturn in the early 1920's, but while the US soon bounced back, the British were never able to recover. British manufactures were now considered low-quality and obsolete.

THE GOLDEN CHANCELLOR

Nevertheless, Norman insisted on a gold pound at $4.86. He had to convince Winston Churchill, the Chancellor of the Exchequer. Norman whispered into Churchill's ear: "I will make you the golden chancellor." Great Britain and the rest of the Empire returned to the gold standard in April, 1925. Norman himself craved the title of "currency dictator of Europe." And indeed, many of the continental central banks were in his pocket.

It was much easier to return to the gold standard than it was to stay there. British industrial exports, including coal, were priced out of the world market, and unemployment rose to 1.2 million, the highest since Britain had become an industrial country. Emile Moreau, the governor of the Bank of France, commented that Norman's gold standard had "provoked unemployment without precedent in world history." British coal miners were especially hard hit, and when the mine owners announced wage reductions, Britain experienced the 1926 general strike, which was defeated with Winston Churchill as chief scab and strike-breaker.

But Norman did not care. He was a supporter of the post- industrial society based on the service sector, especially financial services. The high pound meant that British oligarchs could buy up the world's assets at bargain basement prices. They could buy US and European real estate, banks, and firms. Norman's goal was British financial supremacy:

"…his sights remained stubbornly fixed on the main target: that of restoring the City to its coveted place at the heart of the financial and banking universe. Here was the best and most direct means, as he saw it, of earning as much for Britain in a year as could be earned in a decade by plaintive indsutrialists who refused to move with the times. The City could do more for the country by concentrating on the harvest of invisible exports to be reaped from banking, shipping, and insurance than could all the backward industrialists combined."

[Boyle, 222]

Montagu Norman's golden pound would have been unthinkable without the puppet role of Benjamin Strong of the New York Federal Reserve Bank. Since the pound was grotesquely overvalued, the British were running a balance of payments defecit because of their excess of imports over exports. That meant that Norman had to ship gold from the Bank of England in Threadneedle Street across the Atlantic. The British gold started to flow towards New York, where most of the world's gold already was.

The only way to stop the flow of gold from London to New York, Norman reasoned, was to get the United States to launch a policy of easy money, low interest rates, reflation, and a weak dollar – in short, a policy of inflation. The key to obtaining this was Benjamin Strong, who dominated the New York Fed, and was in a position to dominate the entire Federal Reserve system which was, of course, independent of the "political control" of the US government which these oligarchs so much resented.

In essense, Norman's demand was that the US should launch a bubble economy. The newly-generated credit could be used for American loans to Germany or Latin America. Or, it could be used to leverage speculative purchases of stocks. Very soon most of the new credit was flowing into broker call loans for margin buying of stocks. This meant that by advancing a small percentage of the stock price, speculators could borrow money to buy stocks, leaving the stocks with the broker as collateral for the loans. There are many parellels between the measures urged for the US by Norman in 1925 and the policies urged on Japan by London and Wall Street in 1986, leading to the Japanese bubble and their current banking

crisis.
In 1925, as the pound was returning to gold, Montagu Norman, Hjalmar Schacht and Charles Rist, the deputy governor of the Banque de France visited Benjamin Strong in New York to mobilize his network of influential insiders for easy money and low interest rates in the US. Strong was able to obtain the policies requested by Norman and his European puppets. Norman & Co. made a second pilgrimage to Wall Street between 28 June and 1 July 1927 to promote American speculation and inflation. On this second lobbying trip, Norman exhibited grave concern because the first half of 1927 had witnessed a large movement of gold into New York. Strong and his cabal immediately went into action.
The second coming of Norman and Schacht in 1927 motivated Strong to force through new reflation of the money supply in July and a further cut in the US discount rate in August of that same year. The rediscount rate of the New York Fed was cut from 4% to 3.5%. This was the credit which stoked the culminating phase of the Coolidge Bull Market during 1928 and 1929. Strong also got the FOMC to begin buying US Treasury securities in open market operations, leaving the banks flush with cash. This cash soon wandered into the broker call loan market, where it was borrowed by stock speculators to buy stock on margin, fueling a growing stock speculation. Interest rates in London were supposed, according to Norman, to be kept above those in New York – although Norman later deviated from this when it suited him.
In his essay "The Economic Consequences of Mr. Churchill," Lord Keynes noted that the British had returned to gold at a rate that was at least 10% too high; Keynes showed that the British government had also chosen a policy of deliberately increasing unemployment, especially in the export industries in order to drive down wages. In order to stem the flow of gold out of London, Keynes observed, the Bank of England's policy was to "encourage the United States to lend us money by maintaining the unprecedented situation of a bill rate 1 per cent higher in London than in New York." [Essays in Persuasion, p. 254]
One alarmed observer of these events was, ironically, Secretary of Commerce Herbert Hoover of the Coolidge administration, who condemned the Fed policies as "direct inflation." "In November, 1925," recounts Hoover, "it was confirmed to me by Adolph Miller, a member of the Reserve Board, that Strong and his European allies proposed still more 'easy money policies,' which included continued manipulation of the discount rates and open market operations – more inflation." Hoover says he protested to Fed chairman Daniel Crissinger, a political appointee left over from the Harding era who was in over his head. "The other members of the board," says Hoover, "except Adolph Miller, were mediocrities, and Governor Strong was a mental annex of Europe."
Hoover had to some extent struggled behind the scenes in 1925 against Norman's demands, but by 1927 he had begun to defer in matters of high finance to Ogden Mills, who was willing to go along with the Bank of England program. After the crash, Hoover's friend Adolph Miller of the Fed Board of Governors told a committee of the US Senate:
In the year 1927…you will note the pronounced increase in these holdings [US Treasury securities held by the Fed] in the second half of the year. Coupled with the heavy purchases of acceptances it was the greatest and boldest operation every undertaken by the Federal Reserve System, and, in my judgment, resulted in one of the most costly errors committed by it or any other banking system in the last 75 years… What was the object of the Federal Reserve Policy in 1927? It was to bring down money rates, the call rate among them, because of the international importance the call rate had come to acquire. The purpose was to start an outflow of gold – to reverse the previous inflow of gold into this country.
[Senate Hearings pursuant to S.R. 71, 1931, p. 134 in Lionel Robbins, The Great Depression (London, 1934), p. 53.]
A few years later the British economist Lionel Robbins offered the following commentary on Miller's testimony: "The policy succeeded….The London position was eased. The reflation succeeded. But from that date, the situation got completely out of control. By 1928 the authorities were throughly frightened. But now the forces they had released were too strong for them. In vain they issued secret warnings. In vain they pushed up their own rates of discount. Velocity of circulation, the frenzied anticipation of speculators and company promoters, had now taken control. With resignation the best men in the system looked forward to the inevitable smash." [Robbins, pp. 53-54]
Robbins contends that the Wall Street bubble of 1925-1929 was built on top of an economy that was sinking into recession in 1925. The Norman-Strong bubble masked that recession until the panic exploded in 1929. Robbins places the responsibility for the Crash at the door of the Federal Reserve and its European counterparts: "Thus, in the last analysis, it was deliberate co-operation between Central bankers, deliberate 'reflation' on the part of the Federal Reserve authorities, which produced the worst phase of this stupendous inflation." [Robbins, p. 54]
The evolution of the Norman's tactics shows clearly enough that he did not provoke a crash in New York out of legitimate self defense, to protect the Bank of England's gold from being exported to Manhattan. Norman was willing to sacrifice massive quantities of gold in order to feed the New York bubble and thus be sure that when panic finally came, it would be as devastating as possible. Between July 1928 and February, 1929, the New York Fed lending rate was 5%, half a point higher than the 4.5% that was the going rate at the Bank of England. As the London Economist commented, "two years ago [in early 1927] no one would have believed New York could remain half a point above London for more than a few weeks without London being forced to follow suit." [Economist, February 9, 1929, p. 275] All during the autumn of 1928 the Bank of England hemorrhaged gold to Manhattan, as British pounds hurried to cash in on the 12% annual interest rates to be had in the Wall Street brokers' call loan market. Even in January and February of 1929, months when the Bank of England could normally expect to take in gold, the gold outflow continued.
During the first week of February, 1929, Norman raised the London bank rate to 5.5%. The Economist snidely commented: Finally, the 5.5 per cent. rate comes as a definite signal to America. It must not be supposed that Continental centres will remain indifferent to London's lead, and its cumulative effect may well be a definite pronouncement that Europe is not prepared to stand idly by and see the world's stocks sucked into a maelstrom. Wall Street can scarcely remain indifferent to such a pronouncement, especially if the New York Reserve Bank follows by a sharp increase in its own rate. In any case, the establishment of European interest rates upon a new and higher level may well draw gold back from New York before long; and if so the 5.5 per cent. rate will have done its work.
[Economist, 9 February 1929, p. 275]
The higher British bank rate scared a number of Wall Street speculators. In two days the Dow Jones average declined by about 15 points to 301. On the day Norman hiked the rates, the volume went over 5 million shares, at that tme an extraordinary level. But within a few days the momentum of speculation reasserted itself.
The signal sent by the higher London Bank Rate was underlined in March 1929 by the Anglophile banker Paul Warburg. This was once again the scion of the notorious Anglo-Venetian Del Banco family who had been the main architect of the Federal Reserve System. Warburg now warned that the upward movement of stock prices was "quite unrelated to respective increases in plant, property, or earning power." In Warburg's view, unless the "colossal volume of loans" and the "orgy of unrestrained speculation" could be checked, stocks would ultimately crash, causing "a general depression involving the entire country." [Noyes, p. 324]
Between February and April 1929, the Bank of England was able slightly to improve its gold stocks. By late April the pound began to weaken, and the Banque de France, true to Moreau's hard line policy, siphoned off more of Norman's gold. July 1929 was a bad month for Threadneedle Street's gold. By August 21, 1929 the Bank of England had paid out 24 million pounds' worth of gold since the start of the year. In August and September, however, the gold outflow slowed.
On the morning of 4 September 1929, the New York hedge fund operator Jesse Livermore received a message from a source in London according to which a "high official" of the Bank of England – either Montagu Norman or one of his minions – had told a luncheon group of City of London men that "the American bubble has burst." The same official was also quoted as saying that Norman was looking for an excuse to raise the discount rate before the end of the month. The message concluded by noting that a financier by the name of Clarence Hatry was in big financial trouble. [Thomas and Morgan-Witts, pp. 279-280]
The New York Federal Reserve Bank had raised its discount rate to 6% on August 8. Soon therafter, the market began to run out of steam. The peak of the Coolidge bull market was attained on September 3, 1929, when many leading stocks reached their highest price quotations. So Livermore's Bank of England source had been right on te money. On Sept. 5, the market broke downward on bearish predictions from economic forecaster Roger Babson, who on this day won his nickname as "the Prophet of

Loss." During the following weeks, the market drifted sideways and downward.

On September 20, 1929 it became known in the City of London that the Clarence Hatry group, which supposedly had been worth about 24 million pounds, was hopelessly insolvent. On that day Hatry and his leading associates confessed to fraud and forgery in the office of Sir Archibald Bodkin, the Director of Public Prosecutions, went to have lunch at the Charing Cross Hotel, and were jailed. Hatry later asserted that in late August, he had made a secret visit to the Bank of England to appeal to Montagu Norman for financing to allow him to complete a merger with United Steel Company, a UK firm. Norman had adamantly refused Hatry's bid for a bridge loan. By 17 September, when Hatry stock began to fall on the London exchange, Hatry had liabilities of 19 million pounds and assets of 4 million pounds.

When, on 19 September, Hatry approached Lloyd's Bank in last a desperate bid for financing, the wayward financier had told his story to Sir Gilbert Garnsey, a chartered accountant. Garnsey had made a second approach to Norman for emergency financing, and had also been rebuffed. At this point Norman had informed the chairman of the London Stock Exchange that the Hatry group was bankrupt; in this conversation it was agreed that trading in Hatry shares would be suspended on 20 September.

Norman thus wanted the Hatry bankruptcy; he could have prevented it if he had wanted to. How many times did Norman, who operated totally in the dark as far as the British government and public were concerned, bail out other tycoons who happened to be his friends and allies? The Hatry affair was useful to Norman first of all because it caused a rapid fall in the London stock market. London stockjobbers who were caught short on cash were forced to liquidate their New York holdings, and the Economist spoke of "forced sales" on Wall Street occasioned by the "Hatry disclosures." [London Economist, 23 November, 1929, p. 955] More important, Norman could now pretend that since confidence in London had been rudely shaken, he needed to raise the bank rate to prevent a further flight of funds.

Less than a week after the Hatry group's debacle, Norman made his final and decisive bid to explode the New York bubble. He once again raised the Bank of England discount rate. As the New York Times reported from London, "the atmosphere was tense in the financial district and exciting scenes were witnessed outside the Royal Exchange. Ten minutes before noon a uniformed messenger rushed into the corridor of the Bank carrying a framed notice over his head. The notice read: 'Bank rate 6 1/2 per cent.' A wild scramble ensued as messengers and brokers dashed back to their offices with the news." One of the subtitles of the Times's article was "BUSINESS FEARS RESULTS". [NYT, 27 September 1929] And well they might have.

6.5% was a very high discount rate for London in those days, and a full point had been a big jump. The London rate had not been so high since 1921, during the so-called deflation panic of 1920-21. The British move towards higher rates was imitated within two days by the central banks of smaller continental states where British influence was high: Austria, Denmark, Norway, Sweden, and the Irish Republic all hiked their discount rate. On October 10 the British monetary authorities in India also raised the discount rate there by a full point. Added to the steps already taken by the Bank of England, these actions generated a giant sucking sound as money was pulled out of New York and across the Atlantic.

The Economist approved Norman's maneuver, while blaming "the continuance of Stock Exchange speculation in America, with its concomitant high call rates" for the need to go 6.5%. Such a high rate would of course be highly destructive to British factories and farms, but this, as we have already seen, counted for nothing in Norman's machinations. The Economist commentary ended with a very sinister prophecy:

Still, on the whole, few will doubt that the Bank was right this week to change over to its…alternative of imposing dearer money rates at home. It has decided to do so at a moment when the fates are becoming propitious to an early success, which should permit of a relaxation of the present tension before too long a period has elapsed.

[The Economist 28 September 1929, p. 557]

What the Economist meant by success, as we will see, was the detonation of a collossal panic in New York. By abruptly pulling millions of pounds out of New York, Norman turned the sagging Coolidge bull market into the biggest rout in stock market history up to that time. Then, as the Economist suggests, the British bank rate could come down again.

John Kenneth Galbraith, in his much-quoted study The Great Crash, curiously manages to avoid mentioning the raise in the British Bank Rate as the immediate detonator of the Crash of 1929. But then, Galbraith is a Canadian and an Anglophile. But a few old American textbooks had the story somewhat better: "The stovck-market collapse came in October, 1929 when English interest rates were raised to six and one-half per cent in order to bring home needed capital that had been attracted to the United States by the high speculative profits," wrote hicks and Mowry in their 1956 Short History of American Democracy".

Various London outlets now began feverishly signalling that it was time to pull the rug out from under the New York market. A prominent signaller was Philip Snowdon, the Chancellor of the Exchequer in the Labour Party government of Ramsay MacDonald which had come into power in the spring of 1929 on a platform which had included the need for better relations with the United States. On October 3, 1929, Snowdon addressed the Labour Party's annual conference in Brighton. Snowdon's audience was understandably not happy with a higher bank rate, since they would be the main victims of unemployment.

Snowdon, while stressing that Norman's actions were independent of the Exchequer, genially told the delegates that "there was no other recourse." Why not? Snowdon first repeated the argument about defending London's gold stocks: "Monetary conditions in America, Germany, and France have been such as to create a great demand for the currencies of those countries, dollars, marks, and francs, and a consequent selling of sterling, with the result that the rates of exchange have gone against us recently, reaching points where payments were taken in gold." The US, in particular, was the culprit: "In New York, with America's plethora of liquid capital and high rates, there has been a usual year's orgy of speculation, draining money away from England." "There has been a raid on the financial resources of this country which the increased bank rate is now intended to check" Snowdon ranted. "The object of the increased rate is to draw money back to England," Snowdon stressed. The hardship of high rates must be blamed on the US: "… there must be something wrong and requiring our attention when such an orgy 3,000 miles away can so dislocate the financial system of this country and inflict injury on our workers and employers." It was time to bail out of New York and come home to London, Snowdon urged: "British credit is the best in the world. The British market is the safest in the world for those who are satisfied with reasonable investments and not lured into wild speculations." [NYT, 4 October 1929]

When J.P. Morgan read this speech, he was reportedly apoplectic that Snowdon had repeated his catchphrase of "orgy of speculation" so many times. But J.P. Morgan was also in the process of going short.

Snowdon's speech was widely applauded in the City of London, the New York Times reported the next day, and his "reference to the effect of the American speculation on the international situation was also approved…the feeling is that such movements must be allowed to bring their own correction." [NYT, 6 October 1929] The "correction" was now only a few weeks away.

On October 21, 1929 the Great Crash began. On October 24, at the height of the panic, Winston Churchill appeared briefly in the visitors' gallery of the New York Stock Exchange to view the boiling trading floor and savor the chaos he had wrought. On October 29, the principal market index lost 40 points on a volume of almost 12.9 million shares, an all-time record in that epoch.

One of the remarkable features of October 29 was the large number of immense block lots of stock that were dumped on the market, in contrast to the previous days when the panic had mainly involved smaller margin-leveraged investors. In those days the financial editor of the New York Times was the veteran journalist Alexander Dana Noyes, who had played the role of Anglophile Cassandra of the Coolidge market: at every periodic convulsion in the speculative fever, Noyes had proclaimed that the day of reckoning had finally come. In his later autobiography, The Market Place: Reminiscences of a Financial Editor (Boston: Little Brown, 1938), Noyes admits in passing that the British had played a key role in the dumping of these large blocks of stock: "Afterward, it came to be known that the forced selling was not only stock which had been bought for the rise by the hundreds of of thousands of outside speculators, but represented also the closing-out of professional speculators who had been individually 'carrying' immense lines of stock. Possibly London, which after its habit had been joining in the American speculation…started indiscriminate foreign selling." [p. 330]

By the end of October, the total value of stocks listed on the New York Exchange had declined by 37%. That, it turned out, was only the beginning. By the time the bottom was finally reached in March, 1933, stocks had declined in price by more than 80%. By 1932 commodity prices had fallen by 30 to 40%. World manufacuring production was down by 30 to 50%. World trade declined by two thirds. The International Labor Office in 1933 said that approximately 33 million persons were out of work.

By Halloween, Norman was able to reduce the London rate from 6.5% to 6%. The Economist gloated: "Seldom has the country received a more agreeable surprise than that sprung upon it by the Bank of England when at, twelve o'clock on Thursday morning, it announced that its rate had been reduced from 6 1/2 to 6 per cent. Five weeks ago, when Bank rate was raised from 5 1/2 to 6 1/2 per cent., doubts were freely expressed lest the new rate might not prove effective in correcting the exchanges and stemming the flow of gold from this country; and voices were heard foreboding that 6 1/2 per cent. might have to be followed by 7 1/2 per cent. in a few weeks' time. Less than three weeks sufficed to confound the school of extreme pessimists, for by the middle of October [when the New York panic began] it was plain that all danger of a higher Bank rate had passed. The dollar was nearer the import than the export gold point, the mark was back to par, and London and the sterling was proving a magnet for the world's floating balances.

"The final collapse of the Wall Street boom under the avalanche of selling which began on Thursday of last week, and which must be regarded as the main factor in the Bank's decision, has confounded optimists and pessimists alike. …it must be borne in mind that the Bank rate was raised to 6 1/2 per cent. last September solely to make London an attractive centre for short money. …the crux of the situation lay in the attraction of the New York market both for floating balances to be lent at call, and for the funds of private investors anxious to participate in the profts of a boom which appeared to have no end. Steps had to be taken by the Bank of England to counter a situation which threatened to become critical for its own reserves.

"Even before Wall Street's 'Black Thursday,' events showed that the new Bank rate was achieving its objects to an extent surpassing expectations….With the final collapse of the Wall Street boom, and the definite end of a critical phase in the world's monetary history, in which New York had been an inconveniently overwhelming competitor for international funds, the Bank of Ebgland decided…to lose no time in allowing Bank rate to drop to the level of the market rate….

"…it would be premature to jump to the conclusion that the Wall Street break has cleared the world's monetary and commercial horizon of every cloud…there is warrant for hoping that the deflation of the exaggerated balloon of American stock values will ultimately be for the good of the world…..we look for a gradual improvement in the international monetary situation as the huge balances hitherto concentrated in New York redistribute themselves over the rest of the world – thus greatly easing the strain on the British banking system and opening possibilities for a further reduction in Bank rate in the not very distant future….

"The cessation of the westward flow of funds, even if the reversal of the process does not lead to the early recovery by London of all, or nearly all, her lost gold, should greatly ease the difficulties presented by the problems of international debt payments and the interrelated Reparations issue…The 6 1/2 per cent. rate HAS DONE ITS WORK AND DONE IT WELL." [London Economist, 2 November 1929, pp. 805-806, emphasis added]

On November 23, when the smoke had cleared on Wall Street and the wreckage there was more clearly visible, the Economist catalogued "Reactions to the Wall Street Slump." Again they recurred to Montagu Norman's interest rate hike of September 26: "That advance…was a by no means negligible factor in turning into the opposite direction the tide of funds which had been flowing so strongly toward New York, and in causing the edifice of the American speculation to totter." [London Economist, 23 November 1929, p. 955]

By mid-December the London discount rate was down to 5%. The Economist in its year-end review of 1929, repeated its praise for Norman's bank rate strategem: "In the financial world we faced and met a crisis which, in the opinion of the doubters, threatened even to endanger the gold standard in this country. But after enduring a long-continued drain of gold…the Bank at a critical moment took a course as bold as it was successful, and in the event it proved necessary only to put up with acutely dear money for a matter of weeks." In that holiday season of 1929 the Economist saw "a depression from across the Atlantic of cyclonic force" but since "Great Britain's monetary position in regard to gold need give rise to no anxiety" and British "industry starts a New Year …on more even terms with our competitors than for many years past," Norman had scored a "success."

Norman had succeeded in torpedoing the US economy, but he had also unleashed a world depression. The British had been in a depression anyway, so getting the rest of the world to join them in their misery was a highly positive development. As for Benjamin Strong, he had died in October, 1928.

FROM COLLAPSE TO DISINTEGRATION

During 1930, levels of employment and production declined sharply in most of the world. British unemployment went from a colossal 1.34 million at the end of 1929 to an astronomical 2.5 million at the end of 1930. By late in the year Lord Keynes was writing of the "Great Slump of 1930," as a result of which mankind was living "this year in the shadow of one of the greatest economic catastrophes of modern history." [Essays in Persuasion, p. 135] Keynes estimated that the level of new capital investment in the United States was by late 1930 already 20% to 30% less than it had been in 1928. [p. 145]

1930 also saw a series of post-crash banking failures, especially among smaller banks of the rural south. These bank failures struck Kentucky, Tennessee, Arkansas, and North Carolina. There was also the insolvency of the Bank of United States in the New York City garment district.

With Wall Street crippled, London quickly became the center of what today would be called international hot money, with short term sterling balances that were ready to rush anywhere in the world a better rate of return could be obtained. During the period of uncertainty about the fate of the French franc between 1924 and 1926, large amounts of French hot money had shifted into London and had remained there. This money would exit with particular abruptness in case of trouble in London. This meant that a sudden collapse of confidence in London could easily lead to panic and the massive flight of capital.

THE COLLAPSE OF EUROPE

In late 1929 and 1930, the British financiers noticed very little change in their usual depression routine. But the explosion in New York cut off loans and wrecked the banking system in central Europe, as signalled by the Kreditanstalt banruptcy in Vienna in May 1931, and the fall of the Danatbank and the rest of the German banks in July of the same year.

Vienna had been chronically troubled because of its status as the full-sized head of a truncated body after the breakup of the Austro-Hungarian Empire. The Kreditanstalt, a Rothschild property, was the survivor among the Vienna banking houses, which had succumbed one by one to the post-Versailles slump. As a result, Kreditanstalt owed $76 million abroad, mainly to UK and US investors. An international effort to bail out the Kreditanstalt with the help of the Rothschilds, the Bank for International Settlements, the Bank of England, and others availed nothing.

Failure of the Kreditanstalt meant the bankruptcy of much of central Europe. The crisis of the German banks took center stage. Even more than in Austria, the drying up of New York as a source of lending was the main culprit here. It was estimated that Germany had to meet yearly foreign payments of $800 million, including the onerous reparations. A run on the Berlin banks developed. Within a short time Germany was forced to export two fifths of her gold reserves for a total of $230 million.

The crisis in Berlin inevitably had immediate and serious repercussions in London. Some believed that British financial houses had been too slow to pull their money out of Berlin, and that large sums owned by the British had been frozen in Berlin when the banks there were shut down. Part of the panic travelled to London by way of Amsterdam: the Dutch banks had loaned heavily in Germany, and the Dutch withdrew their considerable assets from London to stay afloat. Now the tremors unleashed by the Crash of 1929 had undermined the entire banking system in Germany, Austria, Romania, Hungary, and the rest of central Europe.

It was at this point, with a cynical treacherous reversal of their entire policy, that the British decided to wreck the sterling- centered international monetary system which they had re-assembled after World War I. Their gesture was similar to the speculative attacks on the pound mounted by George Soros and other British- backed speculators in September, 1992, which aimed at destroying the European Exchange Rate Mechanism, a grid of relatively fixed parities among the continental currencies. In soccer terms it was an

“autogol” or own goal, scored against one’s own purported team.
In the midst of the German crisis the fact that German reparations and interallied war debts could not be payed was finally recognized by US President Herbert Hoover, who was realistic enough to proclaim the debt moratorium which bears his name - the Hoover moratorium of June, 1931, which froze all reparations and war debt payments for 1 year. This moratorium was approved by the US Congress with sweeping majorities in December, 1931. But the Hoover moratorium was too little and too late. By the time Hoover had made up his mind to act, Schacht’s Reichsbank was just a few weeks away from defaulting on gold payment and imposing strict controls on all currency transfers to the outside world. Another problem with the Hoover moratorium was that it was announced for only one year - it should have been for the duration of the crisis. The Hoover Moratorium also contained a domestic political trick: if the European governments were not required to pay their debt to the United States government, then those same Europeans might still have enough liquidity to pay back their loans American privately owned banks and businesses. So the US Treasury would have suffered, for the benefit of the private sector. In December, 1932 France, Belgium and other debtors defaulted, and the Hoover Moratorium became permanent in practice.
Under the guidance of Schacht and Montagu Norman, the Germany of Chancellor Heinrich Bruening rapidly evolved into the prototype of the autarkical currency bloc of the 1930’s. Most of the classical Schachtian apparatus later employed by Hitler was already in place before Hitler ever came to power.
The emergence of the mark zone was also assisted by Hoover’s Secretary of State, the notorious Anglophile Henry Stimson — the ego ideal of the youthful George Bush. It was in fact Simson who, while attending the London Conference on the German crisis, proposed the so-called Standstill Agreements, which stated that creditors owed money by the German government or by German banks and businesses would be obliged to refrain from demanding payment, and in any case not to take their money out of Germany. This gambit was found especially appalling by Jacques Rueff, who was in attendance. A debt moratorium for the duration of the crisis would have been simpler and far more effective. As it was, the ability of German residents to buy and spend abroad was throughly curtailed. Soon all trade was restricted, and frozen and blocked accounts were instituted. The Reichsbank rediscount rate went to a strangulating 10%, and the rate on collateral loans went to 15%. In the domestic economy, deflation and austerity were the order of the day. All of this played politically into the hands of Hitler and the Nazis, which was precisely the intention of Montagu Norman.

LONDON’S SINGAPORE DEFENSE OF THE BRITISH POUND, 1931

The surrender to Japan of the British naval base and fortress of Singapore on February 15, 1941 was the culmination of one of the most absurd military farces in the history of Perfide Albion. This was the result of a long-term, conscious and deliberate committment to surrender Singapore as soon as possible if attacked by Japan, combined with the need to make a sham of defending the place so as not unduly to arouse the suspicions of the bloody Yanks. The British were looking ahead to the postwar world. They wanted the Japanese to have plenty of time to attain and fortify their defense perimeter, so that the US losses in rolling back Nippon would be nothing short of catastrophic. At the same time, the British wantesd to hide this treachery from the US public. It had to look as if they were caving in to force majeure.
At the time, every schoolboy knew that the British had fortified their coast defense artillery so that the guns could only point out to sea, and not to the land approaches, which were the axis of attack chosen by the Japanese. The British troops present, mainly imperial conscripts, were more or less overtly told not to fight. Once the needs of dramaturgy for the US market had been satisfied, Gen. Percival, the British commander, surrendered with all deliberate speed.
The feeble efforts to save the pound mounted by Montagu Norman’s Bank of England and by Ramsay MacDonald’s national unity cabinet in the summer of 1931 can be usefully summed up as a “Singapore defense” avant la lettre — a bungling bogus sham that was deliberately designed to fail.

NORMAN INTENDED TO DEFAULT ALL ALONG

There is sold evidence that Montagu Norman’s decision to provoke a British default on gold payment dated back to mid-July, 1931, well before the pound got into trouble. The following is an account of Montagu Norman’s meeting with the German delegation during the London Conference of July, 1931, which had been called together to deal with the crisis of the German banks and currency. Norman’s preferred recipe for Germany was default on gold payment, standstill agreements, and a possible debt moratorium. As we see here, Norman told German State Secretary Schaeffer that in a few weeks it would be clear what he was driving at — which in retrospect was understood by all concerned as an allusion to Norman’s own coming British default on gold payment:
“Zur fuer die ganze Konferenz entscheidenden internen Sitzung kam es am 21. [Juli 1931] in der britischen Treasury, an der Reichskanzler Bruening, Ministerialdirektor Schwerin-Krosigk, Staatssekretaer Schaeffer und Geheimrat Vocke auf deutscher und Montague Norman, Sir William Leith-Ross und Waley auf britischer Seite teilnahmen. In dieser Sitzung erklaerte Montague Norman mit aller Offenheit, dass er bei vollem Verstaendinis fuer die deutsche Lage nicht imstande sei, ueber die Bank von England zu helfen, da dise selbst durch die anhaltende Geldabzuege der letzten Tage (taeglich bis zu 2 Mill. Pfund) unter schwerstem Druck stehe. Sein einziger - und unter den gegebenen Verhaeltnissen auch einzig moeglicher - Rat waere, die Konferenz schnell zu beenden, deutscherseits selbst private Stillhaltevereinbarungen mit den Auslandsglaeubigern zu treffen, gegebenfalls ein Auslandsmoratorium - und im Inneren Suspendierung der Goldeinloesungs- und Golddeckungspflicht, mit anderen Worten genau das, was England acht Wochen spaeter selbst zu tun gezwungen war. Dass Norman dabei bereits an diese spaetere eigene Politik dachte, geht daraus hervor, dass er im Anschluss an die Sitzung Staatssekretaer Schaeffer persoenlich erklaerte, dass Schaeffer ihn in wenigen Wochen wohl verstehen wuerde.” [Rolf E. Lueke, Von der Stabilisierung zur Krise (Zuerich: Polygraphischer Verlag,)
This report not only illuminates the timing of Norman's decision to default. It also shows how explicitly Norman pushed Germany into the status of an autarkical currency bloc, with all international payments subject to strict government controls.
On August 23, Norman (who was nursing one of his periodic nervous breakdowns in Canada) talked by telephone with Harrison of the New York Fed. Harrison asked Norman if he though that the austerity program proposed by the new British National Government were adequate. Norman replied that he believed that the austerity program was not adequate, and that any inadequate program was bound to cause trouble within a year or so. Norman recommended exploiting the current crisis to force through an economic adjustment featuring a drastic reduction in wages and in the cost of production, so as to make British goods competitive again. If this were done, Norman thought, there would be no need for any loans. Harrison objected that it might be risky to rely exclusively on a balanced budget to defend a currency. Norman was signalling a new defeatist policy for the Bank of England -- one that impotently called on the British government to impose more austerity.

HARVEY LIES TO THE CABINET

The Deputy Governor of the Bank of England, Sir Ernest Harvey - the man who actually terminated the British gold standard - was uniformly defeatist throughout the crisis. At a cabinet meeting on September 3, Harvey expressed his conviction that "the future course of events depended largely upon the attitude of the British public towards the Government's proposals." This view, expressed at the height of the crisis, was at odds with the entire Bank of England and postwar central bank ideology, which stressed the autonomy and power of the central banks over the flailing of the politicians and governments. For three centuries the Bank of England had considered itself responsible for the fate of the pound; now Harvey was talking out of the other side of his mouth. This reversal of attitude was also expressed in Lord Norman's constant refrain that the crisis of the pound had to be solved by a balanced budget on the part of the British government, and not by an increase in the Bank Rate of other measures which only the Bank of England itself could take.
As contemporary observer Palyi writes, "several 'eyewitnesses' have told this writer that both those in the Treasury and in the Bank had convinced themselves that Britain's house could not be brought into order without first 'teaching a lesson' to a public which was either indifferent or indolent." [Palyi, p. 269] But that was a cover story for deliberately scuttling the pound.
At that same cabinet meeting of September 3, Sir Ernest Harvey

told the cabinet that total losses by the Bank of England since the beginning of the crisis amounted so far to 130 million pounds in gold and foreign exchange. Harvey then deliberately lied to the cabinet, stating that since the loans made to London by the foreign central banks would have to be repaid in gold if they could not be paid any other way, this "amounted in effect to a lien on a portion of their existing gold holding and reduced their actual free holding to little more than 80 million pounds or about the equivalent of the new government credit." As one historian comments, "This alarming exposition of the credit agreements was…seriously misleading. They did not provide for a lien on the Bank of England's gold or anything close to it. Rather they contained a gold payment clause which required that payment be made in gold." [Kunz, p. 122]

LONDON REFUSES TO RAISE BANK RATE TO CRISIS LEVEL

As Robbins notes, the monetarist orthodoxy of British financial experts between the two world wars was that if a country got into economic trouble, "You must put up your bank rate and you must limit your fiduciary issue. Anything else is bad finance." Curiously, when the terminal crisis of Montagu Norman's much-vaunted gold standard finally arrived, the British did neither of these things.

British monetarist ideology featured the faith that an increase in the Bank of England's bank rate could pull gold up out of the ground, or even attract gold to London from the moon. The bank rate was at the heart of the entire British fetish of usury.

Fiduciary issue of currency was a means used to regulate the supply of credit. These were extra bank notes issued by the central bank. Cutting fiduciary issue would have meant a credit contraction - tight money. In the midst of the summer, 1931 pound and gold crisis, the British actually increased their fiduciary issue, when their own orthodoxy would have dictated a sharp cut. But the Norman's Bank of England persistently increased fiduciary issue in the face of the crisis.

NORMAN'S REFUSAL TO HIKE THE BANK RATE

As for the Bank Rate, the Bank of England acted in violent contradiction to its own monetarist orthodoxy. As one scholar later summed up:

"On May 14 [1931], immediately after the collapse of the Kredit-Anstalt, the Bank Rate was actually lowered, from 3 to 2 1/2 per cent. It was not changed until July 23rd, when at last it was raised to 3 1/2 per cent. During the last week or so of July the Bank of England lost over 25 million pounds in gold. On July 30th the Bank Rate was again raised, but only to 4 1/2 per cent, and there it remained until September 21st. Great Britain had always advocated a high Bank Rate as the remedy for a financial crisis and a drain of gold. She had been on the gold standard, in effect, for over two hundred years, with only two breaks - one during the Napoleonic wars and one during the last war [1914-1925]. Now for the first time in her history she suspended gold payments in time of peace and with a Bank Rate of 4 1/2 per cent ! Does it follow that the British monetary authorities were secretly glad to leave the gold standard? ….why was the Bank Rate not raised but actually lowered after the Kredit Anstalt closed? Why was it not raised to 8 per cent or perhaps 10 per cent in July or even in August?" [Benham, Monetary Policy, pp. 9-11] These are good questions.

Back in 1929, when Montagu Norman had been concerned with precipitating the New York stock market panic, 6.5% had not seemed too high a Bank rate in view of the desired result. In April 1920, when the Norman had wanted to undercut New York, the Bank Rate reached 7%, and had stayed there for a full year. But now, 4.5% was the nec plus ultra.

A worried J.P. Morgan of New York cabled on September 7 to Morgan Grenfel in London:

"Are the British Treasury and the Bank of England satisfied that the present method of dealing with the sterling exchange is the best that can be devised? In this connection the question naturally arises as to why the Bank of England does not use the classic remedy of Bank Rate instead of apparently pegging the exchange." [Kunz, p. 126]

Apologists for Norman and his retainers have advanced various lame arguments to explain the gross treachery of Threadneedle Street. One argument was that the British domestic economy was already too depressed to survive a rise in the Bank Rate. But on September 21, after defaulting on gold, the Bank of England raised the Bank Rate to 6% and left it there for five months, regardless of the impact on the credit-starved domestic British economy.

Then there is the argument of "prestige," which claims that radically to raise the Bank Rate under the pressure of foreign gold demands would have undermined the prestige of the pound sterling. Was it then more prestigious to default?

"It had been intimated that the decision to devalue was due to British 'sensitivity': the Treasury and the Bank found it 'undignified' to balance the national budget under pressure of foreign bankers. Was their dignity better served by defaulting?" [Palyi, p. 294]

As the same author sums it up, "the reluctance to use the discount weapon was at the root of the widely disseminated charge that 'perfidious Albion' had intentionally 'trapped its creditors," especially given the fact that British foreign obligations were denominated in pounds, not in the currency of the lending country. So these foreign obligations could be paid off in cheaper pounds after a default and devaluation.

THE FRANCO-AMERICAN LOANS

The British judged that their sham defense of the pound required at least some semblance of support operations for their own currency in the international markets. For this purpose, it was decided to procure loans from the United States and France for these support operations. The main effect of these loans was to make the lquidity crisis that followed the British default more acute in both Paris and New York.

British representative H.A. Siepmann arrived in Paris on August 24 to begin negotiating the French loan. Given the fast pace of the crisis, Siepmanm should have been a man in a hurry. But Siepmann "took the approach that the question of a credit was not a top priority matter, a rather suprising one in the cirumstances and one that not only confused Governor Moret but diverged totally from the viewpoint held by Morgan's (N.Y.) and Harrison" at the New York Federal Reserve. [Kunz, p. 113]

Morgan's for its part had been reluctant to undertake the British loan. The mood among other American banks was shown by the unprecedented number of refusals to participate in the underwriting of the loan which arrived in response to the offer cable sent out by Morgan's. Banks refusing such an offer ran the risk of being excluded from future Morgan loan syndications. The refusals show the extreme liquidity anxieities already besetting the US bankers.

This state of affairs is reflected in the following cable from Morgan, New York to Chancellor of the Exchequer Philip Snowden in London:

"In reference to the proposed interest rate in America we may emphasize that there is not a single institution in our whole banking community which actually desires the British Treasury Notes on any terms either as to commission or interest…..Every institution is probably making strenuous endeavours to get its position more liquid." [Kunz, p. 116-117]

As it was, the British took in the loans, which were obtained by the British Exchequer from New York and Paris. Starting on August 1, the British government organized a loan of $250 million, mainly from the United States. On August 26, the British requested and were granted a further US loan of $400 million. [Hoover, pp. 81-82]

The British loan was the biggest made by Morgan between the world wars. The loan took the form of a pledge by Morgan and 109 other American banks to purchase dollar-denominated Treasury Bills of the British government for periods of 30, 60 and 90 days.

AUGUST 4 CRISIS - NO INTERVENTION BY BANK OF ENGLAND

During the first days of August, the British authorities announced that they would receive loans from foreign central banks for the purpose of conducting support operations for the pound sterling. But on August 4, the Bank of England and its agents were inexplicably absent from the currency markets, and the pound quotation collapsed below the gold export point to New York. Norman and his crew had "forgotten" to defend the pound that day – clearly a conscious decision to sabotage their own pound. The confidence-building effect of the central bank loans was completely dissipated. To make matters worse, support operations seem to have been virtually "forgotten" again two days later.

GOLD SOVEREIGNS SUSPENDED

Around the middle of September, the Bank of England suddenly discontinued its habitual practice of paying out gold sovereigns – that is, gold coins – to those who wanted to exchange pound

sterling banknotes. This measure came at a time when gold bullion was still freely available for those who wanted to trade in larger sums. This amounted to the transition to a gold bullion standard. Bu the effect on market psychology turned out to be catastrophic. The suspension of official payment in gold sovereigns was seen for what it was - the immediate prelude to the default on all gold payment.

AFTERNOON POUND BREAKS IN NEW YORK

On August 29, Morgan partner Thomas Lamont send a cable to Grenfel in London commenting on the loss of confidence in the British government that was spreading on Wall Street. A cable two days later stressed the concern felt at Morgan's New York about "the poor handling of the sterling exchange, a symptom of which was the frequent breaks in the value of sterling in the New York market after the London market had closed. It apppeared that the Bank of England agents in New York were setting their watches to London time, and knocking off for the day after lunch. When the pound crashed just before tea-time, Norman's minions were at home.

NO ATTACKS ON BEARS A LA POINCARE

In the same missive, Morgan's (N.Y.) also suggested better liaison between the Bank of England, the Bank of France and the FRBNY so that the credits would become an offensive weapon rather than a sitting duck for rapacious financiers." [Kunz, p. 120] To be effective in stopping speculation, the monetary resources obtained by the Bank of England had to be employed dynamically. The Bank of England could not just sit there, buying unlimited quantities of pounds at the floor price. Rather, the money had to be used aggressively to buy pound futures so as to drive the pound quotation up, if only temporarily, with the result that some of the specualtors who had sold the pound short would have been severely burned. The pound would have received additional support through short covering purchases. The Bank of England needed to organize a short squeeze or bear squeeze so as to create genuine doubt about whether shorting the pound was a sure way to lock in profits. Bear squeezes and short squeezes had been actively organized by French Premier Poincare' during his defense of the French franc some years earlier.

ONLY 2 SMALL BANKS USED

Another feature of Norman's Singapore defense was the method used to organize support operations for the pound. All support operations were conduited through two small banks. Support operations against the dollar were done through the British Overseas Bank, and support operations against the franc were done through the Anglo- International Bank. This absurd method guaranteed that everyone in the markets knew exactly when and in what amount the Bank of England was interveneing, and that everyone also soon knew exactly how much of the various French and American support loans remained unused. If it had wished to be effective, the Bank of England would have intervened in its own name, and would also have conduited other operations through the big British clearing banks. The small size of the banks actually used also limited the amount of pound futures they could buy, since their credit was so limited.

LOW FORWARD PRICE OF POUNDS

On September 1, Morgans (N.Y.) cabled their London partners an analysis of the London and New York sterling markets with special focus on the weakness and lack of depth of the forward market. [Kunz, p. 121] The elementary strategy for defending the pound would have been to keep the price of pound futures above the spot price for pounds in the cash market. If that could be accomplished, arbitrageurs would have been impelled to sell the pound futures and buy the spot pounds, generating an updraft around the pound quotations. But if pound futures were allowed to sink lower than current pounds, financiers would obviously sell pounds and buy pound futures to lock in their profit.

POUND PEGGED TOO HIGH

Harrison of the FRBNY cabled Harvey on September 3 that in his opinion the British were attempting to peg the pound/dollar rate much too high. The British were attempting to support sterling at $4.86 to $4.86125, which was considerably above British gold export point. In Harrison's view, the artifically high peg only encouraged sales of sterling. Harrison wanted the pound to fluctuate just above that currency's gold export point. Harvey declined to make this change, saying that although he was in general agreement this was not the time to change tactics. [Kunz, p. 121]

DUTCH GUILDER RATE NEGLECTED

In yet another deliberate British fiasco, while the pound to dollar and pound to franc rates were supported, the pound to Dutch guilder quotation received no support of all. Given the considerably importance of the Dutch currency at the time, this was insane folly. The pound/guilder exchange rate went below the gold export point in September, and significant amounts of British gold were shipped to Amsterdam during the final phase of the bogus defense of the pound.

FOREIGN SECURITIES NOT USED

Lord Reading, the Foreign Secretary, suggested to Snowden between September 10 and September 14 that the Treasury prepare a plan for the mobilization of foreign securities held in Britain for the purpose of depending the pound. Reading thought that this operation could be modeled on the methods used for the same purpose during the First World War. Lord Reading also wanted MacDonald to order the Bank of England to prepare detailed financial data for the use of the Financial Subcommittee of the cabinet, composed of MacDonald, Snowden, Reading, and Neville Chamerlain. [Kunz, p. 129] None of this was carried out.

BRITISH SPECULATORS: OWN GOAL

On Monday, September 14, there was the first meeting of the Financial Subcommittee of the cabinet. Lord Reading wanted to determine exactly who it was that was dumping all the pounds on the international markets. Reading thought that many sales appeared to be British-inspired, and that the cabinet ought to consider a method of cracking down on such transactions. Harvey, who was present, expressed pessimism about the ability of the Government or the Bank to halt British flight capital, and "he further made the false statement that the sale of sterling by British citizens was not really an important problem."

Harvey himself knew this was nonsense. In reality, "Harvey had been sufficiently alarmed about British sales of sterling to write to various culprits such as Lord Bradbury to ask them not to continue to purchase dollars. Also Fisher had told [US diplomat] Atherton that internal capital flight was one of the causes of Britain's problems. As the Bank of England, not the Treasury, kept track of currency movements, Fisher could only have known this if the Bank so informed him." [Kunz, p. 143]

The London Daily Star was upset enough about flight capital to write that if the National Government were really national, "it could act at once against the traitors who are sending their gold abroad…." [New York Times, September 18, 1931]

On the fateful Default Day of September 21, 1931, the New York Times related the comments of the London correspondent of Le Matin of Paris. This journalist, Stephane Lauzanne, is quoted as saying:

"The most recent purchases of foreign exchange were not undertaken for foreigners, as is stated in the official British statement, but in fact by British subjects. There were considerable withdrawals of foreign capital, but these took place mostly several weeks ago. During the past few days I have been assured by one of the most influential representatives of French banking circles in London that to his personal knowledge orders for the sale of sterling and purchases of dollars were given to the London banks by great numbers of British clients. Even as late as Saturday [September 19] 10,000,000 pounds left the Bank of England's vaults." [New York Times, Monday September 21, 1931] Even on the eve of the default, London was still exporting capital - getting the most out of available pounds to buy up assets around the world.

THE INVERGORDON FARCE

In late September 1929, Norman had used the Hatry bankruptcy as a pretext for raising the Bank Rate, which he had wanted to do for reasons of economic warfare against the USA. In 1931, an indispensable part of the orchestration of the British default was an alleged "mutiny" in the Royal Navy in protest over pay cuts.

On Tuesday, September 15, Sir Austen Chamberlain, the First Lord of the Admiralty, informed MacDonald of a trifling incident which had taken place at Invergordon. About 500 sailors of the Royal Navy had assembled for meetings to discuss the pay cut for experienced seamen which the National Government was proposing. The seamen ignored orders to return to their ships until their protest meetings were over. In response, the Admiral of the British Atlantic Fleet announced the postponement of the scheduled naval maneuvers, and also the dispersal of the Atlantic fleet to its various home ports. It was these latter actions which "elevated what might have remained a small incident into a mjor occurrence. Sensational headlines around the world pointed to the parallels to the Russian revolution of 1905 and 1917 and the German revolution of 1918, both of which had been marked in their early phases by fleet mutinies. The Revolution was about to overpower the Royal Navy itself! In addition to this hysterical hype, there was also the sense that the austerity program would have rough sledding from other groups in Britain as well. [Kunz, p. 131]

THE BANK OF ENGLAND DEMANDS DEFAULT

A despatch of September 17, 1931 to the New York Times reported that Sir Ernest Harvey, Deputy Governor of the Bank of England, and other financial leaders had gone that evening to the House of Commons to convey to Prime Minister Ramsay MacDonald "a grave warning that the stability of the pound was again imperiled." "It is stated that they gave two reasons for this emergency – first, the naval unrest, and, second, the report that a general election was imminent."

Saturday September 18 was the day the British cabinet officially decided to default on Britain's gold obligations. MacDonald called it the most solemn conference ever held at 10 Downing Street. True to form, it was the Bank of England that proposed the abrogation of the gold standard through the mouth of its Deputy Governor, who announced that the only course of action left was for Britain to leave the gold standard. [Kunz, p. 135] Harvey deliberately created the false impression that he had discussed the situation after the close of trading on Friday with Harrison of the New York Fed. This was not true. Harvey, in response to a question from MacDonald, added that he did not think it worthwhile to raise even 100 million pounds ($450 million) if people were only going to withdraw it. MacDonald quickly agreed to default, and the rest of the cabinet meeting was devoted to technical details of how to terminate the gold standard. [Kunz, p. 135]

It was only on Saturday, September 19 that Harvey informed Harrison of the New York Fed of what the British government was now doing. Harrison was described as greatly shocked by this decision, which came as a surprise to him. Harrison persisted for a time in exploring possible alternatives to London's default, and offered further loans. [Kunz, p. 137] But the Bank of England remained committed to immediate default. More help could have been obtained from Paris as well. Then there is the embarrassing fact that during the last week of the gold standard the Bank of England's gold stocks INCREASED from 133,300,000 to 135,600,000 pounds. [Palyi, p. 277]

THE END OF THE WORLD

On Sunday, September 20, 1931, the British government issued its statements announcing its decision to "suspend for the time being" the clause of the Gold Standard Act of 1925 requiring the Bank of England to sell gold at the fixed price. All the other elements of the official British mythology were also present. "His Majesty's Government have no reason to believe that the present difficulties are due to any substantial extent to the export of capital by British nationals. Undoubtedly the bulk of withdrawals has been for foreign accounts." The bloody wogs, as we see, were once again the root of the problem. Furthermore: "His Majesty's Government have arrived at their decision with the greatest reluctance. But during the last few days international markets have become demoralized and have been liquidating their sterling assets regardless of their intrinsic worth. In the circumstances there was no alternative but to protect the financial position of this country by the only means at our disposal." As we have seen, there were other means. Finally, there was the obligatory stiff upper lip: "The ultimate resources of this country are enormous and there is no doubt that the present exchange difficulties will prove only temporary." [New York Times, September 21, 1931]

The worldwide shock was severe. In the words of Jackson E. Reynolds. then President of the First National Bank of New York, "when England went off gold it was like the end of the world."

THE BANKERS' RAMP

With the help of demagogic headlines in the London afternoon tabloids, the British oligarchy placed the blame for the fall of the mighty pound on a "bankers' ramp" led by foreign central bankers. A favorite target was poor George Harrison of the New York Federal Reserve, who was rewarded with slander and obloquy for his pathetic and servile devotion to the currency of British imperialism. Another fall-guy was the Banque de France.

One British chronicler of these times sums up the official line of scapegoating the foreigners as follows: "It was basically the American trade cycle, and not British monetary policy, that made life so wretched for us." [R.S. Sayers, 97]

JACQUES RUEFF ATTACKS BRITISH HANDLING OF CRISIS

During the weeks of the British crisis, the economist Jacques Rueff was serving as the Financial Attache at the French Embassy in London. This meant that Rueff was in practice the manager of the French sterling balances.

Palyi cites the "'posthumous' charge by Rueff that the "Bank of England defaulted intentionally in order to damage the creditor central banks, the Bank of France in particular…." [Palyi, p. 268]

On October 1, 1931, Rueff completed his memorandum entitled "Sur les causes et les enseignements de la crise financière anglaise," which was intended to be read by French Finance Minister P.-E. Flandin and the French Prime Minister, Pierre Laval.

Rueff first described the modes of intervention of the Bank of England: "Elle avait…deux instruments: le taux d'escompte et la politique dite d"open market'….Depuis 1929 la Banque d'Angleterre a constamment utilisé ces deux instruments pour maintenir aussi bas que possible les taux en vigeur sur le marché de Londres. Elle a toujours retardé aux maximum les élévations de taux d'escompte qui s'imposaient, cependant qu'elle cherchait à augmenter, par ses achats de valuers d'Etat, l'abondance monétaire du marche." [Jacques Rueff, De L'Aube au Crépuscule, p. 301]

For Rueff, the British were guilty of violating the implicit rules of the gold exchange standard, since they tried to maintain their liquidity despite a gold outflow. "on peut affirmer notamment qu'en 1929 et 1930, presque sans exception, la politique d"open market' de la Banque d'Angleterre a été faite à contresens. Les mouvements d'or, en effet, tendent à se corriger eux-mêmes, puisque toute sortie de métal tend à provoquer une restriction de crédit, qui hausse les taux du marche. Or, en 1929 et 1930, toutes les fois que de l'or sortait de la Banque d'Angleterre, celle-ci achetait des valeurs d'Etat sur le marché, remplacant ainsi les disponibilites qui venaient de dispara&itremas;tre." [302]

"Autrement dit, pendant les deux années 1929- 1930, la Banque d'Angleterre a constamment paralysé le jeu des phénomenes qui tendaient à adapter la balance des paiements anglais aux nécessites résultant de la politique économique suivie par le pays." [p. 303]

Because of these policies, Rueff found, the British had weakened themselves even before the German crisis had begun: "Or, en 1931, ces fautes ont été commises, provoquant des mouvements de capitaux qui ont été mortels pour le change anglais. Il est très probable que l'Angleterre aurait pu y résister, si elle n'avait pas été mise préalablement dans un état de paralysie économique et financière, interdisant à son organisme les réactions spontanées d'un marche normal." [p. 303]

Rueff repeatedly condemns Stimson's intervention at the London Conference of July, 1931 with the proposal for standstill agreements which immediately created a liquidity crisis and put world banking in difficulty: "Toutes les banques du monde, voyant soudain immobilisé une fraction très importante de leurs capitaux a court terme, ont cherché à récupérer toutes les réserves qu'elles pouvaient rendre disponibles." [304}

But the British always blamed the wogs: "...l'opinion britannique ...recherche a l'exterieur la cause de ses difficultés." [305]

The British had been wallowing in a depression since 1918, and

that for them made it a world economic crisis: "Il faut d'abord remarquer que, pour l'opinion britannique, la crise économique d'après guerre n'est pas chose nouvelle. Depuis que l'Angleterre souffre du chomage permanent – c'est- à-dire depuis la guerre – l'opinion britannique et les experts anglais affirment que le monde est en état de crise. Depuis la guerre, même lorsque le monde, sauf l'Angleterre, était en pleine prospérite, les représentants britanniques ne cessaient de demander à la Société des Nations de trouver un remède à la crise économique, qualifiée de mondiale parce qu'elle affectait les intérêts du Royaume-Uni de Grande-Bretagne et d'Irlande." [307]

A key British problem was their high unemployment, which they had chosen to deal with by means of payments to the unemployed, called the dole: "Et cela explique que la hausse des prix soit pour l'Angleterre, dans le régime ou elle s'est volontairement placée, une nécessité vitale. Ayant fixe une catégorie des prix, elle est conduite à vouloir y adapter tour les autres….Cette hausse des prix anglais peut, il est vrai, être réalisée sans hausse des prix mondiaux, par la dépréciation de la livre sterling et aussi – bien que dans une mesure probablement insuffisante – par un tarif douanier. D'ou des diverses solutions envisagées en Angleterre, l'une d'entre elles – la dépréciation monétaire – étant déjà en voie de réalisation…."

[308-309]

For Rueff, all British proposals for international monetary cooperation were strategems designed to shift the crisis from Britain to the rest of the world: "Il reste enfin à évoquer la dernière des formules par lesquelles l'Angleterre prétend que le monde devrait etre reconstruit: la cooperation financière internationale. C'est là un programme dont le sens n'a jamais été défini, probablement parce qu'il n'en a aucun….Il n'est pas douteux que tous les plans présentés à Genève ou a Bale, plan Norman, plan Kindersley, plan Francqui, tendent seulement a réaliser le trust des entrprises en faillite et a y investir des capitaux qui sans cela se seraient refusés. Par là, ils sont un merveilleux instrument pour transférer les difficultes financières des Etats qui les ont provoqués, a ceux qui ont été assez sages ou assez prudents pour s'en préserver…Tel est d'ailleurs le sens profond et l'objet véritable de tous les efforts tendant a réaliser la solidarité internationale, solidarité que l'on invoque toujours lorsque l'on veut profiter de la prosperité des Etats voisins, mais jamais lorsque l'on peut leur venir en aide."

[318-319]

Rueff suggested a Franco-American accord capable of putting an end to the British game.

THE BANK OF ENGLAND'S DUTCH TREAT

By September 20, most of the sterling balances held by foreigners who were disposed to liquidate them had already been liquidated. The exception were sterling balances held by foreign central banks, like the Dutch, and these would be loyal to London, partly because their estimate was that the crisis was not so severe as to force the British off gold. The little people of the British public were proving docile enough to make no attempt to turn in their pound notes for gold. The Big Five clearing banks were undisturbed by panic runs or the specter of insolvency.

There is no doubt that during the weeks before default, the Bank of England practiced the most cynical deception on other central banks. The Bank of England twice assured the Bank of South Africa that it would do everything in its power to maintain gold payments. The Bank of England acted with great treachery towards the Netherlands Bank, the central bank which had shown itself to be the truest friend of the pound, supporting it in crisis after crisis. The president of the Netherlands Bank, Mr. Vissering, telephoned the Bank of England on September 18, 1931 to enquire whether there was any truth to the rumors about a forthcoming sterling devaulation. The Bank of England official who answered the phone emphatically denied that there would be a devaluation, and offered to pay off the Netherlands Bank sterling balances in gold on the spot. The Dutch decided to keep their gold in London.

A few days after the call summarized above, "Dr. G. Vissering of the Netherlands' Central Bank called Harvey to request that the Dutch gold held by the Bank of England be earmarked [separated from the Bank of England stocks as a preliminary to shipment to the Netherlands]. Harvey huffily refused, saying that the Dutch could either take their gold back to Amsterdam or keep it in London but if they chose the latter course they would not be placed in the position of a preferred creditor. Vissering backed down. To assuage Vissering's fears Harvey wrote him about the credits and stressed the total committment of the National Government to the maintenance of the gold standard [Kunz, pp. 119- 120] As a result, "the Netherlands Bank felt, and for good reason so, that it had been deceived by the Bank of England, a turn that was scarcely befitting Norman's idea of central bank cooperation, or the 'ethics' of the gold standard." [Palyi, p. 278]

The Netherlands Bank thought that the Bank of England should safeguard the Netherlands Bank against all the sterling losses to which it was subjected. A discussion of this British betrayal is found in the 1931-32 Annual Report of the Netherlands Bank. [see Brown, vol, 2, pp. 1170-1172]

Montagu Norman claimed that he had personally not been a participant in the decision to default on gold. As we have noted, Norman's cover story was that he had suffered a nervous breakdown, and had taken a vacation at the Chateau Frontenac in Quebec, Canada. When the Bank of England suspended gold payment, Norman was on board ship in the middle of the Atlantic. Norman claims that he knew nothing of the decision to go off gold until he landed at Liverpool on September 23. Norman was thus able to blame the default on one of his resident whipping-boys, Deputy Governor Sir Ernest Harvey. Harvey himself suffered a nervous breakdown because of the stress of serving under Norman.

When the British stopped paying in gold, they were quickly followed by Denmark, Sweden, Norway, Holland, Bolivia, and India – most of whom were candidates for inclusion in the sterling bloc. Other countries, including Greece, Italy, Germany, Austria, and Hungary were already operating under exchange controls and other measures which effectively prevented gold outflow. [Hoover, p. 82]

The British strategy for saving the golden pound had included histrionic international appeals from Prime Minister Ramsay MacDonald, who pleaded with other countries not to drain off the last of the British gold. After the British had defaulted, MacDonald's perfidy caused much resentment abroad. In the words of an American economist, "Hardly had Ramsay MacDonald stopped sobbing over the international radio that Britannia should not be forced to sacrifice her honor, than he began to smile broadly because the fall of the pound gave her marked advantage in exports."

[Mitchell, p. 14]

THE BRITISH GAME

A British estimate of the London predicament of the early 1930's reads as follows:

"…Great Britain is a highly populated industrial country, carrying a terrific burden of internal debt, dependent predominantly for existence on foreign trade, enjoying the benefits of being the world's chief banking centre, possessed of a large net income from long-term investments abroad, but heavily indebted (in her role as world's banker) to other centres on short- term account."

[Economist, September 26, 1931, p. 548]

The British racket up until September 1931 had been to use a high pound to maximize their buying up of the world's productive assets and resources. After September, 1931, a devalued pound meant that pound-denominated foreign claims on the British financial system – and these were the vast majority – were automatically reduced.

Five months after the British default, Norman and the British oligarchy embarked on a policy of cheap money. At this time a series of Bank Rate reductions was started which soon brought the discount to 2.5%, where it stayed for many years. Montagu Norman himself, the former gold addict, became the main theoretician of Cheap Money in the new era of competitive monetary devaulations. The British stock market quickly recovered amd kept rising during most of the 1930's. But unemployment hovered around 2.5 million until the beginning of the Second World War.

"For years, Continental opinion had been coming to the view that the British system was dying of ossification," wrote Lionel Robbins [p. 93] "Now the British had increased their own relative importance compared to their continental rivals, who had joined them in perdition."

The post-1931 British strategy also included Imperial Preference and trade war: "Britain entered the lists with the Import Duties Act of March, 1932 (reaching 33 1/3 per cent), and the later Ottawa Agreement establishing empire tariff preferences spurred other countries in the process of retaliation. Sterling losses of so many countries spread deflation through the struggle for liquidity. The contest between economies that remained on gold and those that had left it became acute." [Mitchell, p. 14]

Soon, US exports to the rest of the world had dropped to about one third of their 1929 level. [Hoover, p. 83] European purchases of American agricultural products ceased almost entirely. US unemployment increased rapidly. Tax revenue fell by 50%. [Hoover, p. 89]

BRITISH DEFAULT: TEN MORE YEARS OF WORLD DEPRESSION

The Gibraltar of British Empire finance had crashed. The old saying, "as safe as the Bank of England" was now a mockery. "It was only vaguely understood, if at all, that at stake was what is called today the 'world monetary system.' It was still a sterling system. The likely alternative to…the gold standard, at the old sterling parity, may have been the breakdown of that system. That is what happened after September, 1931.' [Palyi, p. 86] "The cooperation of the central banks in the 1920's ended in a breakdown of the entire system, having been essentially a cloak that masked the ultimate purpose of its chief ingredient, the gold exchange standard, which was to maintain Britain's gold standard without obeying the rules of the gold standard." [p. 146]
During the 18-month period after the British default, most world currencies also terminated gold payments through external default. Until March, 1933 the US dollar and some of its satellite currencies in central America were able to keep up payments on gold. Otherwise, the gold standard was maintained by a group of countries called the "gold bloc," comprehending France, Holland, Belgium, Switzerland, Italy, Poland, and Estonia. Estonia was forced off gold, and Italy and Poland imposed gold export controls. The Belgian franc was devalued in March, 1935. France imposed a gold embargo in September, 1936. Switzerland and Holland announced devaluations immediately thereafter.
Of the fifty-four nations that had been on the gold standard at some time between 1925 and 1931, none remained on gold in 1937. The world monetary system had indeed disintegrated.

CHART: COUNTRIES LEAVING THE GOLD STANDARD

April 1929 – April 1933:
1929
April – Uruguay
November – Argentina
December – Brazil
1930
March – Australia
April – New Zealand
September -Venezuela
1931
August – Mexico
September – United Kingdom, Canada, India, Sweden, Denmark, Norway, Egypt, Irish ,Free State British Malaya, Palestine
October – Austria ,Portugal, Finland ,Bolivia, Salvador
December – Japan
1932
January – Colombia, Nicaragua, Costa Rica
April – Greece, Chile
May – Peru
June – Ecuador ,Siam
July – Yugoslavia
1933
January – Union of South Africa
April – Honduras, United States
[See Brown, 1075]

BEYOND BREAKDOWN TO DISINTEGRATION

The year 1931 is thus a turning point in the financial history of Europe analogous to 1914 in political-military history: "…because of the profound influence of the war upon the structure of the world's credit system and upon the economic environment in which it operated, 1914-19 was a period that marked the breakdown, rather than the suspension or modification, of the pre-war international gold standard system…….when England suspended the convertibility of sterling in 1931 the international gold standard as a world institution entered into an historical phase which must be described by a stronger term than breakdown. SEPTEMBER 1931 MARKED THE BEGINNING OF ITS DISINTEGRATION."
[Brown, p. 1052, emphasis added]
Current historians and economists are fixated on 1929, but there can be no doubt that September 1931 was the more important watershed by far. "Britain's devaluation in 1931 had a psychological and political impact on Europe, and beyond, that can hardly be overestimated. In final analysis, the break-up of the international financial and commercial system was a decisive factor in balkanizing Europe and preparing the ground for World War II." [Palyi, p. 270] Another writer noted that among the "consequences [of 1931] were an increase of international suspicion and hatred, an inflamed nationalism in Europe and, finally, war."
[Giuseppi, p. 164]
Indeed.

CURRENCY BLOCS AND THE IMPULSION TOWARDS A NEW WORLD WAR

The scuttling of the pound-based, gold exchange international monetary system of the 1920's was perhaps the most potent underlying factor in the universal renewal of armed conflict that soon followed. When the pound fell, a series of currency blocs emerged somewhat along the prototype of what had emerged under the guidance of Norman and Schacht as the German mark area. These currency blocs included the British pound sterling bloc, the US dollar bloc, the gold bloc (which broke up, leaving a franc bloc along with some other shards), the Soviet ruble area, the Japanese yen zone. The currency chaos meant that there was no reliable means of settling commercial payments among these blocs. World trade atrophied. The situation was difficult for everyone, but it was worst for those blocs which had the greatest dependency on exports and on importing oil, metals, rubber, and strategic raw materials. The pound sterling, dollar, franc and ruble each had some raw materials backing. But the German mark, Japanese yen and Italian lira had virtually none. Each of these states embarked on an economic regime of autarky so as to conserve foreign exchange. For Germany, Italy, and Japan, aggressive territorial expansion towards possible sources of oil and metals became the only available surrogate for foreign trade. The ascendancy of fascism was favored in each case by the penury of world trade, and in each case the British stood ready to promote fascist leaders who would ruthlessly act out this logic, as exemplified by Montagu Norman's role as the premier international patron of Hitler and the Nazis, and as the point man for the pro-Hitler directives which were carried out by Sir Henry Deterding, Averell Harriman, and Prescott Bush.

BEGGAR-MY-NEIGHBOR

The British were aware at the time of the colossal magnitude of what they had wrought, and were certainly aware of how rival states might suffer far greater consequences than the British themselves: "The facts must be faced that the disappearance of the pound from the ranks of the world's stable currencies threatens to undermine the exchange stability of nearly every nation on earth; that even though London's prestige as an international centre may gradually recover from the blow which the sterling bill has received, banking liquidity throughout the world has been seriously impaired, much more so in other countries than this; that international trade must be temporarily paralysed so long as the future value of many currencies is open to grave uncertainty; and that, though the memory of the disastrous effects of post-war inflations should be a useful deterrent, there is an obvious risk lest we may have started an international competititon in devaluation of currencies motived [sic] by the hope of stimulating exports and leading to a tragic reversion to the chaotic conditions which existed five or six years ago."
["The End of an Epoch," London Economist, September 26, 1931, p. 547]
The entire edifice of world trade and world banking had imploded: "The sterling bill enters so deeply into the whole mechanism of international trade, and so many foreign banks, including central banks, have been accustomed to keep a large portion of their reserves in the form of sterling balances in London, that the shock caused by the depreciation of sterling to some 80 per cent. of its value has necessarily been profound….the depreciation of the pound means that the currency reserves of many countries which are kept in the form of sterling balances have been seriously impaired, and the pre-existing strain on the banking system of many centres is bound temporarily at least to be aggravated by the universal shock which confidence has suffered….By our action, the value of the legal backing of a number of currencies has suddenly shrunk."

[Economist, September 26, 1931, pp. 550-551]
By October, Perfide Albion was positively gloating about the massive gold outflow from the United States, which many now considered on te verge of a dollar crisis: "The suspension also of the gold standard in Great Britain had three important results. Firstly, it gave a further shock to confidence. Secondly, it prevented foreign banks from drawing upon their sterling balances except at a heavy loss, and so drove them back on their dollar balances. Finally, it destroyed all faith in the safety and efficacy of the gold exchange standard, for foreign central banks found that the sterling exchange which they had legitimately held as part of their legal reserve had lost part of its value, thereby undermining their own stability, and inflicting upon them losses in many cases commensurate with their own capital." [London Economist, "America's Money Problems," October 10, 1931, p. 646] In other words, London's planned default had bankrupted a series of central banks who had deposited their reserves in the Bank of England.
A few weeks later, The Economist commented further: "It was inevitable that the suspension of gold payments in England should have a profound effect upon the position of leading central banks. Some who were engaged in operating the gold exchange standard were in possession of susstantial holdings of sterling as part of their legal reserve against their notes and other sight liabilities while others – such as the Banque de France – held equally large quanities of sterling, even though they were operating on the full gold standard. All these central banks have had to face a 20 per cent. depreciation of their holdings of sterling, which for many of them means a substantial proportion of their legal currency reserves.
"This situation has already had several far-reaching results. Many countries have summarily abandoned the gold exchange standard as a snare and a delusion, and their central banks have begun hurriedly to convert their devisen into gold. The general tendency has been to leave their sterling holdings intact, but to exchange their dollar balances and bills for gold; and this is a major cause of the recent efflux of gold from the United States. Again, commercial banks have not been immune from the consequences of the crisis, and have had to meet the suspicion and distrust of their customers. fostered by very numerous (if not individually very important) bank failures all over the world. They have had to face the immobilisation under the 'standstill' agreement of such part of their assets as they had ventured in Germany and central Europe; they have suffered, in common with the central banks, a 20 per cent. depreciation of their sterling holdings; and, last but not least, they have had to deal with the widespread dislocation to trade caused by the depreciation of sterling, which is the currency of world commerce. Thus commercial banks have, on the one hand, witnessed an outflow of notes into the hands of distrustful customers, and, on the other hand, they have had to mobilize their available assets, both at home and abroad, in preparation for further demands for currency."
["The Gold Rush," Economist, October 24, 1931, p. 746]

BRITISH DEFAULT PRECIPITATES US BANKING PANIC OF 1932-33

By August of 1931, Keynes estimated that commodity prices on the world market had fallen since 1929 by an average of 25%, with some commodities falling as much as 40 to 50%. Common stock shares had fallen worldwide by 40% to 50%, he reckoned. Investment-grade bonds were down by only 5%, but lower rated bonds were down by 10% to 15%, and the bonds of many governments had "suffered prodigious falls." When it came to real estate, the picture was more differentiated. Great Britain and France had been able to maintain relative firmness in real estate values, with the result that "mortgage business is sound and the multitude of loans granted on the security of real estate are unimpaired." The worst crash of real estate prices had occurred in the United States, Keynes found. Farm values had suffered a great decline, and newly developed urban commercial real estate was depressed to 60% to 70% of its cost of construction, and often less. Finally, Keynes estimated that the commercial loan portfolios held by banks were in the worst shape of all. Keynes evaluated this 2-year collapse as the worst world-wide deflation in the money values of real assets in history. [Essays in Persuasion, pp. 172-175]
Keynes pointed especially to something far worse yet to come, namely the potential world banking crisis that was implicit in the price collapses he had summed up. He concluded that in most of the non-British world, if bank assets were conservatively re-evaluated, "quite a significant proportion of the banks of the world would be found to be insolvent; and with the further progress of Deflation this proportion will grow rapidly." London had the least to worry about, since "fortunately our own domestic British Banks are probably at present – for various reasons – among the strongest." Once again the Americans would bear the brunt of the crisis: …in the United States, the position of the banks, though partly concealed from the public eye, may be in fact the weakest element in the whole situation. It is obvious that the present trend of events cannot go much further without something breaking. If nothing is done, it will be amongst the world's banks that the really critical breakages will occur.
["The Consequences to the Banks of the Collapse of Money Values," (Aug. 1931) in Essays in Persuasion, p. 177]
During October, 1931, the British default had provoked a flurry of bank failures worldwide:the Comptoir Lyon-Alemand closed; Handels Bank of Denmark needed to be bailed out by central bank, the Bank fuer Handel und Gewerbe, Leipzig, suspended payment, as did the Dresden Volksbank, the Franklin Trust Company of Philadelphia and 18 smaller US banks.
The central banks were so strapped for cash that there was a run on the Bank for International Settelements, which had to sell great masses of its own assets assets in order to meet the cash demands of its members, the central banks.

KEYNES: THE CURSE OF MIDAS

Keynes was very explicit that the most destructive consequences of the British default were going to be visited upon the United States, which was still on the gold standard: "…the competitive disadvantage will be concentrated on those few countries which remain on the gold standard. On these will fall the curse of Midas. As a result of their unwillingness to exchange their exports except for gold their export trade will dry up and disappear until they no longer have either a favourable trade balance or foreign deposits to repatriate. This means in the main France and the United States. Their loss of export trade will be an inevitable, a predictable, outcome of their own action. [...] For the appreciation of French and American money in terms of the money of other countries makes it impossible for French and American exporters to sell their goods. [...] They have willed the destruction of their own export industries, and only they can take the steps necessary to restore them. The appreciation of their currencies must also gravely embarrass their banking systems.
["The End of the Gold Standard, (Sept. 27, 1931) in Essays in Perusasion, pp. 292-293]
One possible outcome contemplated with eager anticipation by London was that the gold outflow experienced by the United States after the British default would lead to the short-term collapse of the US dollar. By law, the Federal Reserve in those days had to have sufficient gold to cover 40% of the value of all outstanding Federal Reserve dollar notes. At first glance, that 40% of Federal Reserve notes might have seemed to set the minimum gold stock necessary for the survival of the dollar in its then-current form. But in reality the gold requirements of the US were far greater, precisely because of the ongoing economic depression. The London Economist was aware of this grave vulnerability of the American currency:
"The real crux of the Reserve system's position is that, while the ratio of the gold cover to its notes need be only 40 per cent., the remaining 60 per cent. of the notes must be covered either by gold or by eligible paper, and this last excludes Government securities bought in the open market, and in practice consists of rediscounted Treasury bills and also of acceptances and other credit instruments based upon trade. Now the depressed state of trade has reduced the Reserve Banks' holdings of assets of this last kind and has forced then en defaut de mieux to add enormously to their holdings of Government securities. The actual figure for the last-named was $728 millions last August, against only $150 million two years before, while during the same period 'eligible paper' had fallen from $1.141 to $316 millions. Add to this the actual and potential increase in the note circulation, and it is clear that this is the major factor in any calculation of the minimum gold requirements of the United States."
[Economist, October 10, 1931, p. 647]

THE BRITISH CAST THE CURSE OF MIDAS ON AMERICA

In the event, the impact of the British gold default of Sept. 21, 1931 on the United States banking system was nothing short of catastrophic. Within six weeks, the United States was drained of

about $700,000,000 worth of gold. “The rush from abroad to convert dollar balances into gold frightened American depositors, and they began to withdraw currency from their banks.” [Kennedy, p. 30] Bank withdrawals were $400,000,000 during these same six weeks [Mitchell, p. 128]. By November, “almost half a billion dollars had gone into hiding,” – meaning hoarding, with individuals putting their cash in a safety deposit box, mattress, or old sock. [Kennedy, p. 30]

As soon as the British had carried out their own default, the attention of the City of London turned to the potential for an outflow of American gold: “…Wall Street generally has stood up well to the shock. It would be premature, however, to jump to the conclusion that the full eventual repercussions have yet begun to be experienced in the United States. For one thing, the volume of short-term credits held by France, Holland, and other European countries in New York is very great, and it is significant that already gold in large sums has begun to be withdrawn on foreign account from the Federal Reserve system.”

[Economist, September 26, 1931, p. 550]

Within just a few weeks, the US gold hemorrhage had become so serious as to threaten the gravest consequences: “The present crisis resembles the onslaught of a thunderstorm in a mountain range, when the lightning strikes first one peak and then a neighbour….Now it is apparently the turn of the United States, for in the middle of September a drain of gold began on a scale comparable only with the gold losses incurred by Germany and Great Britain in earlier months….the total loss is indicated by the contraction of $449 millions in the Federal Reserve Banks’ gold reserve between September 17th and October 8th.”

[Economist, October 10, 1931, p. 646]

And: “It is true that in certain respects the American banking position has been arousing misgivings. The increase in the note circulation shows that hoarding is definitely taking place, and this hoarding is evidence of public distrust in the stability of American banks. The steady stream of bank failures corroborates this. Again, it is realised that depressed trade, and the collapse of security and real estate values during the past two years, has undermined the value of banking collateral and impaired the liquidity of the banks. Still, allowing for these somewhat ominous signs, it is probably true to say that the need of foreign banks to strenghten these home resources was a more cogent cause of the withdrawals.”

[Economist, October 10, 1931, p. 646]

The Economist was also busy calculating the point at which financial necrosis would set in: “…the United States could, at last gasp, part with $1,700 millions of gold, though the National City Bank very pertinently calls this a theoretical maximum.” “A rough calculation, however, shows that European central banks together still hold foreign exchange equal to some $1,400 millions.”

[Economist, October 10, 1931, p. 646]

In 1928, there had been 491 US bank failures. In 1929, the figure had risen to 642. By 1930, as the collapse of the domestic real estate bubble began to take its toll, bank failures had risen to 1,345. In the wake of the British default, American “bank runs and failures increased spectacularly: 522 commercial banks with $471 million in deposits suspended during October 1931; 1,860 institutions with deposits of $1.45 billion closed between August 1931 and January 1, 1932. At the same time, holdings by the 19,000 banks still open dropped appreciably through hoarding and deterioration of their securities.” [Kennedy, p. 30] Thus, the disintegration of the London gold standard represented a qualitative turning point in the development of the US banking panic. In terms of individual bank failures, 1931, the year of the British default, was the worst year in American banking history.

The decisive role of the pound sterling crisis in detonating the domestic US banking panic is stressed by another chronicler of the Great Depression: “…in all of 1931, a peak number of 2,298 banks with deposits of $ 1.692 billion succumbed to insolvency. As we have seen, about three quarters of these failures came during or after the British crisis, and the vast majority of the damage to the depositors ($1.45 billion out of $ 1.692 billion) was inflicted during and after the London default.”

[Mitchell, p. 128]

The shock waves from the London default were felt first and most severely among the American banks of Chicago, Ohio, and other parts of the Midwest, followed by Pennsylvania, New York, and then New England.

The US banking system was now being subjected to the kind of speculative attack foreshadowed by the analysis of Lord Keynes. While some of the demands for gold were coming from France, it is evident that a very large proportion were coming from London, whether directly or indirectly. This was an attack which the Anglophile Hoover, deluded by his personal meeting with Ramsay MacDonald, was ideologically incapable of understanding.

It was in October, 1931 that Hoover broke his long immobilism on the banking question and launched the ill-starred National Credit Corporation, his unsuccessful public-private partnership to bail out the banks. This timing shows that in Hoover’s view as well, the London default had been a major milestone on the road to US banking panic.

On the evening of October 6, 1931 Hoover met with 32 Congressional leaders of both parties at the White House. Hoover summarized the world economic situation in the wake of the British default:

“The British… are suffering deeply from the shocks of the financial collapse on the Continent. Their abandonment of the gold standard and of payment of their external obligations has struck a blow at the foundations of the world economy. The procession of countries which followed Britain off the gold standard has left the United States and France as the only major countries still holding to it without modification. The instability of currencies, the now almost world-wide restrictions on exchange, the rationing of imports to protect these currencies and the default of bad debts, have cut deeper and deeper into world trade.”

Hoover was forced to concede that the once-prosperous US had been dragged down to the same wretched level as the chronically depressed British:

“We are finding ourselves in much the same position as the British, but in lesser degree. Long-term loans which we made to Europe and the mass of kited bills bought from them are affecting us sadly with each new default. Like the British, we too are increasingly unable to collect moneys due us from abroad. Extensive deposits in our banks owned by foreigners are demand liabilities on our gold reserves and are becoming increasingly dangerous. After the British abandoned the gold standard, even the dollar came under suspicion. Out of an unreasoning fear, gold is being withdrawn from our monetary stocks and bank reserves. These devitalizing drains and the threat of them hang like a Damoclean sword over our credit structure. Banks, fearing the worst, called in industrial and commercial loans, and beyond all this the dwindling European consumption of goods has decreased purchases of our farm products and other commodities and demoralized our prices, production, and employment. We are now faced with the problem, not of saving Germany or Britain, but of saving ourselves.”

[Hoover, p. 90]

A day earlier, in a letter to George Harrison at the New York Federal Reserve, Hoover had described the problems created by the British crisis for the individual American banker: “There have been in some localities foolish alarms over the stability of our credit structure and considerable withdrawals of currency. In consequence, bankers in many other parts of the country in fear of such unreasoning demands of depositors have deemed it necessary to place their assets in such liquid form as to enable them to meet drains and runs. To do this they sell securities and restrict credit. The sale of securities demoralizes their price and jeopardizes other banks. The restriction on credit has grown greatly in the past few weeks. There are a multitude of complaints that farmers cannot secure loans for their livestock feeding or to carry their commodities until the markets improve. There are a multitude of complaints of business men that they cannot secure the usual credit to carry their operations on a normal basis and must discharge labor. There are complaints of manufacturers who use agricultural and other raw materials that they cannot secure credits beyond day to day needs with which to to lay in their customary seasonal supplies. The effect of this is to thrust back on the back of the farmer the load of carrying the nation’s stocks. The whole cumulative effect is today to decrease prices of commodities and securities and to spread the relations of the debtor and the creditor.”

[Hoover, p. 87]

On February 7, 1932, Secretary of the Treasury Ogden Mills informed Hoover that the United States was about two weeks away from defaulting on gold payment because of the continued flow of gold out of this country. To this had to be added the dwindling gold stocks of banks, which generally stood ready to convert paper money into gold when depositors asked for it. This gold disappeared domestically as it was added to private hoards.

In principle, the end of the gold standard at this time would have been a blessing in disguise. But given the laissez-faire obsessions of the Hoover administration, it is possible that such a move,

especially if carried out in isolation from a general policy reversal in the form of a recovery program, would have engendered chaos. Hoover dodged the main issues by getting the Congress to allow the Fed to use more US Treasury securities in place of part of the gold. With this, the immediate post-British-default gold shortage was averted.

HOOVER IN THE DEPRESSION

Hoover at first attempted to organize the bankers to take care of their own. This attempt was called the National Credit Corporation, a private Delaware firm launched in October, 1931. Upon joining, member banks suscribed 2% of their assets, in return for which they could obtain loans on their sound assets which were not eligible for rediscount at the Federal Reserve branches. But the bankers in charge of thius venture were so reluctant to make loans that the National Credit Corporation proved to be an exercise in futility. Despite new waves of bank failures in December 1931 and January 1932, the NCC lent out only one third of its available funds.

Next, Hoover tried the Reconstruction Finance Corporation, a creature of the federal government set up by Congress with $3.5 billion of stock and cash in Jaunary, 1931. In June 1932, the banking crisis again struck Chicago in the wake of the bankruptcy of the Insull group, with 25 suburban banks and 15 downtown institutions closing their doors in the face of panic withdrawals. Only 5 big banks in the Loop remained. To complicate matters, the Democratic National Convention was about to convene in Chicago. The closure of all Chicago banks would have undermined Hoover's claim that propsperity was just around the corner. The RFC quickly provided a loan which temporarily saved the Central Republic National Bank; this rescue prevented panic runs which would have submerged the other four surviving Loop banks.

The Federal Reserve Board took the attitude that it had no responsibility at all for banks that were not members of the Fed system. From 1929 to 1932 the Fed did virtually nothing to stem the depression. In 1932 Hoover wanted the Federal Reserve banks to start providing the economy with credit in the form of direct lending to businesses, as practised by most European central banks. The Federal Reserve Board feared that issuing such loans would open the door to panic runs on the Federal Reserve banks. The Fed finally agreed to make direct loans, but the new lar carried the proviso that this could be done only in an emergency. In July, 1932, as soon as the direct loan facility had been legalized, Hoover asked the Fed to declare a state of emergency so as to enable the direct loans. But the Fed refused to declare the state of emergency. Senator Carter Glass wanted to prevent Fed credit and loans from being used for speculation, but the New York Fed rejected the idea that the Fed could regulate the uses of the credit it issued. A good summary of the Fed's immobilism and impotence, verging on outright sabotage was offered by one student of the banking crisis: "The Federal Reserve stipulated that borrowers must prove they could not receive credit elsewhere but also decided that borrowers did not deserve loans which they would not get elsewhere."
[Kennedy, p. 49]

BANKING PANIC: NEVADA

In the last days of the 1932 presidential campaign, the first shutdown of the banking system of an entire state occurred. This was detonated by the insolvency of the Wingfield group, which controlled almost all of the banks in the state. Wingfield was done in by an endless series of bankruptcies and forecosures among cattle and sheep ranchers, whose assets usually brought about 25 cents on the dollar when put up for auction. On October 31, the lieutenant governor of Nevada declared a 12-day bank holiday during which all state banks could remain closed. It was hoped that during this lapse of time some solution could be found to permit business to resume. In reality, the Nevada banks remained closed for about four months, and re-opened only within the framework of Frankiln D. Roosevelt's bank holiday of March, 1933.

Many schemes were tried to revive the Nevada banks. One plan was based on the depositors' takeover of ownership of some banks. Wingfield tried several times to get loans from the Reconstruction Finance Corporation, but these never came to fruition. There were attempts to mobilize the "private sector" through loans from California investors and Nevada industrialists, but these proved equally vain. Nevada as a state was unable to re-open its banks. And as it turned out, no state was able permanently to re- open its banks after they had been closed. The Nevada banking crisis was a small episode in terms of the dollar values involved, its modest dimension only made it loom larger as a public proof of the impotence of all levels of government to act.

In late 1932, increasing numbers of rural banks came under the intense pressure of panic runs by depositors. The RFC was able to stem the tide for a while, and made loans to banks in Wisconsin, Pennsylvania, Minnesota, and Tennessee. During December, 1932, and during the first six weeks of 1933, numerous banks with large aggregate deposits closed their doors in New Jersey, the District of Columbia, Tennessee, Illinois, Iowa, Missouri, and California. Internal documents of the Hoover administration made public later show that lame duck Hoover had been concerned about fighting off imminent panic in such larger cities as Cleveland, Chattanooga, Little Rock, Mobile, St. Louis, and Memphis.

LOUISIANA

The beginning of the end came in Louisiana in early February. Here a large insurance company had succumbed in January, despite some support from the RFC. The key banking institution in trouble was the Hibernia Bank and Trust Company. US Senator from Louisiana Huey Long tried to raise cash from other bankers to prevent banks from closing on because of depositor panic during the morning of Saturday, February 4, 1933. long hurriedly consulted with Governor Allen of Louisiana, his political ally. Sen. Long decided that a bank holiday was in order, and got the New Orleans city librarian to search the history books for some momentous event that had occurred on February 4. The librarian could find nothing on February 4, but did determine that the United States had broken diplomatic relations with Germany on February 3, 1917. Long proclaimed that such a momentous event deserved two days of commemoration, and not just one. Gov. Allen signed the appropriate order, making February 4 a legal holiday across the state. Many people had no idea why the new holiday had been created; one newspaper which did reveal the link to the banking crisis was seized by the state militia under Sen. Long's orders. Thanks to this surcease, the Hibernia Bank was able to announce $24 million in loans on Sunday morning, heading off the panic that might have broken out on Monday.

MICHIGAN: VALENTINE'S DAY BANK HOLIDAY

The final disintegration of the American banking system began with the explosion of a banking panic in Detroit, Michigan. The 1920's had seen the powerful emergence of automobile production as the leading sector of the US economy, and the Motor City was widely viewed as the most successful, dynamic, and forward-looking metropolis of American capitalism. The shock was all the greater when, at 1:32 AM of February 14, 1933, Governor William A. Comstock signed an order imposing an 8-day bank holiday for all of Michigan. The epicenter of the Detroit crisis was the Guardian banking group, which was personally dominated by celebrated automobile tycoon Henry Ford, with some help from his son Edsel. But if Guardian was rotten, its larger rival, the Detroit Bankers Company, which at the time was the third largest US bank outside of New York City, was putrid. When the Reconstruction Finance Corporation was brought in to save Guardian, the RFC board pronounced itself willing to offer loan assistance - but only if Henry Ford lent Guardian some millions of his own money, and agreed to keep the Ford Motor Company's deposits at Guardian at their current level. Walter P. Chrysler of Chrysler Motors, Alfred P. Sloan, Jr. of General Motors, and Hudson Department Stores were ready to lend money to Guardian, but Henry Ford started feuding with the RFC and with his estranged business partner, millionaire US Senator James Couzens. After days of haggling, Ford agreed to provide $8.25 million in new capital for a merged Guardian-Detroit Bankers. Banners appeared on the streets of Detroit attempting to build confidence in the proposed merger with the slogan "Bank with Hank."

But this Ford loan was contingent on an RFC loan, and the RFC now refused to make their loan because Wall Street banks had refused to renew their oustanding loans to a component of the Detroit Bankers group. So this entire scheme fell apart around February 28, 1933. Starting on March 1, Senator Couzens tried to get Michigan bankers to propose a plan under which the state's banks might re-open. But the bankers were unable to agree on any plan before the state legislature in Lansing had adjourned. Therefore the Michigan banks stayed closed through the end of Herbert Hoover's term in office.

Now the hammer-blows of panic fell thick and fast on the reeling

US banks. The RFC was forced by a meddling and impotent Congress to publish the names of the banks that had received RFC loans, most of which were quickly submerged by panic runs once their identities were known to the public.

The Wall Street banks and especially their stock dealings were during this period subjected to an investigation by the Senate Banking and Currency Committee, chaired by Senator Peter Norbeck, with Sen. Frederick Walcott as ranking Republican. This probe was a political move requested by President Hoover to show that the Wall Street crowd, and not the President, was responsible for the 1929 crash and was now obstructing necessary reforms. Hoover also thought that, unless Congress launched an investigation, bear raids might be launched on the stock exchange by pro-Democratic financiers to get Hoover out of office.

This committee came to be known as the Pecora committee because of the prominent role played by Ferdinand Pecora, a former New York City assistant district attorney in Manhattan, who became the counsel for the committee. Very damaging to bankers in general was the testimony of Charles E. Mitchell, chairman of the board of National City Bank, the ancestor of today's Citibank. Mitchell's testimony documented a series of unscrupulous stockjobbing practices carried out at the expense of a gullible public. The testimony also suggested that the greedy Mitchell was guilty of federal tax evasion, although he was later acquitted in his criminal trial – but convicted in a 1938 civil suit and forced to pay about $1.4 million in back taxes and interest. As one observer put it, these hearings marked the eclipse of the financier as a folk hero in American life. Confidence in the banking system and its managers had received another crushing blow.

Bankers began flailing in desperation. In New Jersey, Maryland, New York, and the District of Columbia, they reduced the interest rates paid on savings account deposits. A number of states allowed banks to limit the amount of money that could be withdrawn from accounts. Even individual cities declared bank holidays to stave off further panic: this was the case in Huntington, Indiana, and Mt. Carmel, Illinois. In other states, some cities began allowing the local banks to issue scrip – paper certificates to be used in lieu of money during the crisis, or, more bluntly, funny money. Indiana declared a bank holiday on February 23; Maryland followed suit on February 25, followed by Arkansas on February 27, and Ohio on February 28.

The chaos in the hinterland increased the pressure on Chicago, and even more on the pre-eminent money center of New York City. Local bankers, strapped for cash, pulled half a billion dollars of their deposits out of New York, undermining the liquidity of the largest commercial banks and even of the flagship New York Federal Reserve Bank.

On March 1, Alabama and Louisiana imposed obligatory bank holidays, while Kentucky and West Virginia left it up to individual banks to decide whether they would open or not. Idaho empowered its governor to declare bank holidays, and Minnesota allowed the commissioner of banking of suspend banking for 15 days when he deemed it necessary. March 2 brought a new harvest of bank holidays across the west, with Arizona, California, Mississippi, Oklahoma, Oregon, and Nevada ordering their banks to close. In Baltimore and the rest of Maryland, the bank holiday was being extended day by day. In the District of Columbia and in several states savings banks began enforcing the rule that 60 days' advanced notice had to be given by depositors if they wanted to withdraw money.

It was also on March 2 that the Federal Reserve Board in Washington finally advised Hoover to declare a federal bank holiday. This advice was long overdue, but the Federal Reserve Board did not want to share responsibility for a bank holiday or for other measures that might still be considered drastic; they wanted Hoover to take the fall for them. Now their own system was breaking apart, and they had to strong-arm the Chicago Fed to make a loan to the hard-pressed New York branch. The Fed Board now suggested a bank holiday covering March 3-6, 1933. Their assumption was that emergency enabling legislation ratfying the closure would be in place before March 7.

On March 3, 1933 – Hoover's last full day in office – state governors in Georgia, New Mexico, Utah, and Wisconsin declared bank holidays. North Carolina, Virginia, and Wyoming limited withdrawals. By the end of the day 5.504 banks with deposits of $3.4 billion had shut down.

Attention was now concentrated on the battered banks of New York and Chicago, which had kept serving customers until the close of the business day on Friday, March 3. It was now clear that the last currency and gold reserves of these two money centers would inevitably be cleaned out during the Saturday morning banking hours of March 4, Inauguration Day. At 11:30 PM Hoover called Roosevelt and repeated his demand that the President-elect act together with him and endorse the actions they might agree to take. Roosevelt repeated his refusal of such an approach. Hoover went to bed at midnight. At 1 AM a courier arrived at the White House from the Federal Reserve Board with the draft of an executive order for a nation-wide banking holiday, and a formal letter urging Hoover to take this step at once. But Hoover slept.

During the early hours of Saturday, March 4, Governor Herbert Lehman of New York, himself a Wall Street investment banker, met with representatives of the banking establishment at his Manhattan apartment. Present were the New Yor State superintendent of banks, executives from the Morgan group and from the other big clearinghouse banks, and George Harrison, boss of the New York Federal Reserve Bank. Harrison had been in touch with Hoover during the day to request a nationwide holiday, but Hoover had replied by shifting the responsibility to Gov. Lehman. Lehman wanted a formal request for bank closure from the clearinghouse banks, but these bankers stalled, hoping to escape responsibility. Lehman refused to act until the big banks had signed a petition asking for the bank holiday. With this request in hand, Gov. Lehman at 2:30 AM signed an order suspending banking in New York State through Monday, March 6.

The Chicago bankers had undergone large withdrawals on March 3. They were hoping that Illinois Governor Horner would act alone to impose a bank holiday. But when news of Lehman's action arrived, the Chicago bankers joined in asking Gov. Horner for a bank holiday. Horner signed the bank closure order at 3:22 AM local time. Herbert Hoover still had more than seven hours left in his term in office, but the financial heart of the United States, the credit system, had stopped beating. If Hoover's policies had been continued under his successor, the very fabric of civilization would have torn to pieces in this country within a matter of weeks.

It is instructive today to recall which institutions and economic groups had tried and failed to deal with the banking panic of 1932-33:

- The private sector failed in a spectacular way to stop the banks from closing and to re-open them after they were shut down by individual bankruptcy or by the state bank holidays. Bankers were unable to form consortia to help their brethren banks. They were unable to provide credit for the recovery of agricultural and industrial production. They were impotent both as ad hoc groups of private bankers, and also when they acted undet the aegis of a government-initiated, private corporation like the National Credit Corporation. The Michigan crisis proved to be the epiphany of the private sector's failure: here men with names like Ford, Chrysler, and Sloan were unable to save the banks they themselves controlled and relied on. In short, there was no private sector, free-market solution to the disintegration of 1931-33.
- The Federal Reserve System was first of all one of the principal guilty parties in the Coolidge-Hoover speculative bubble, and in the Crash of 1929. Under the leadership of Benjamin Strong (himself subjected to the hypnotic powers of Lord Montagu Norman), the Federal Reserve System provided the cheap credit which stoked the fiery furnaces of speculation. The Fed did nothing to restrain speculation, but only covered its own posteriors somewhat with a mild obiter dictum in the spring of 1929 – of which some observers were reminded when Alan Greenspan issued his "irrational exuberance" comment of December, 1996. The Fed virtually disowned all banks that were not members of its own system, and was unable to do anything to help the larger banks that were members. The Fed refused to recommend that Hoover declare a nationwide bank holiday until March 2 -very late in the day. The Fed attempted at every turn to duck its responsibilities, trying to shunt them off on the flailing Hoover – as in the Fed's 1932 refusal to declare a state of emergency to permit Fed loans to nonbank institutions. Under Eugene Meyer, the father of Katherine Meyer Graham of today's Washington Post, the Federal Reserve System displayed an intertia that was the practical equivalent of sabotage. This abysmal record contrasts most vividly with the extravagant claims of pro-Fed lobbyists cited above: that the Fed would make panics and bank failures impossible, that depressions no longer need be feared, and so forth. Private central banking as exemplified by the Fed was an accomplice in both collapse and disintegration.
- The states were tragic in their impotence to save the banks. State governors were able to prevent bank insolvencies by shutting down all banks with a bank holiday. But no state was ever able permanently to re-open its banks.

- Congress acting by itself also failed. A lame duck Congress was in session for many weeks in January and February, 1933, and produced no measures capable of keeping the banks open nor of re- opening the ones that were shut. The law forcing RFC loan recipients into the public eye for panic runs was arson. Senator Borah said that he had never seen a Congress spend so much time on trivialities during a crisis. According to Senator Hiram Johnson: "We're milling around here utterly unable to accomplish anything of real consequence." [Leuchtenburg, 27-28] This inaction generated a widespread public disgust with the legislative branch that was almost as great as the popular hatred of Hoover. Fascist ideologues seized on the failure of the Congress to argue for dictatorship.
- Federal agencies were unable to do save the banks and fight the depression by themselves. This included the Reconstruction Finance Corporation, which had been specifically designed to do so. The RFC's piecemeal efforts temporarily staved off the demise of a bank here and there, but in the end it proved unable to hold off panic. The RFC's failure in Michigan, refusing to act unless Henry Ford made pledges of loans and deposits, was abysmal.
- The Hoover cabinet was unable to stop the crisis. The overall tone was set by Secretary of the Treasury Andrew Mellon, who wanted to liquidate stocks, bonds, and everything in sight. Mellon was no better in his capacity as a leading banker. In September 1931 President Hoover had turned to Mellon and asked him to contribute $1 million to an effort to bail out the Bank of Pittsburgh. Mellon had rejected President Hoover's request. Mellon's successor Ogden Mills and especially Undersecretary Arthur Ballantine provided plans for Roosevelt which stopped the disinegration but failed to roll back the depression, which went on until 1940.
- President Herbert Hoover was the most obvious failure of all. This was due to Hoover's narrow construction of the powers and responsibilities of the presidency, and his refusal to use the implied emergency powers of the office. Hoover first tried voluntary corporatism among bankers. When this failed, he mustered the feeble activism of the RFC. After his election defeat, Hoover refused to take any action that had not been approved in advance by Roosevelt. Roosevelt neither refused nor agreed, but did nothing until he had taken office, when he acted quickly with a nationwide bank holiday and other measures.

In sum, the only institution able to combat the banking panic and the disintegration effectively proved to be the activist presidency of Roosevelt. A detailed analysis of Roosevelt's actions lies beyond the scope of this paper. But what this present study has revealed is already enough to refute as absurd the various theories of states' rights and of Congressional primacy that have circulated during the first two years of the Newt Gingrich Speakership. When the new crisis comes, it will take an activist president to deal with it.

STATUS OF US BANKING BY STATE, MARCH 4, 1933

- ALABAMA - CLOSED INDEFINITELY
- ARIZONA - CLOSED UNTIL MARCH 13
- ARKANSAS - CLOSED UNTIL MARCH 7
- CALIFORNIA - MOST CLOSED UNTIL MARCH 9
- COLORADO - CLOSED UNTIL MARCH 8
- CONNECTICUT - CLOSED UNTIL MARCH 7
- DELAWARE - CLOSED INDEFINITELY
- DISTRICT OF COLUMBIA - 3 BANKS LIMIT WITHDRAWALS TO 5%; 9 SAVINGS BANKS INVOKE 60 DAYS' NOTICE
- FLORIDA - WITHDRAWALS RESTRICTED TO 5% PLUS $10 UNTIL MARCH 8
- GEORGIA - CLOSED ON BANKS' OPTION UNTIL MARCH 7
- DAHO - CLOSED ON BANKS' OPTION UNTIL MARCH 18
- ILLINOIS - CLOSED UNTIL MARCH 8, THEN 5% LIMIT FOR 7 DAYS
- INDIANA - HALF RESTRICTED TO 5% WITHDRAWALS INDEFINITELY
- IOWA - CLOSED 'TEMPORARILY'
- KANSAS - 5% WITHDRAWALS INDEFINITELY
- KENTUCKY - MOST ON 5% WITHDRAWALS UNTIL MARCH 11
- LOUISIANA - MANDATORY CLOSING UNTIL MARCH 7
- MAINE - CLOSED UNTIL MARCH 7
- MARYLAND - CLOSED UNTIL MARCH 6
- MASSACHUSETTS - CLOSED UNTIL MARCH 7
- MICHIGAN - CLOSED INDEFINITELY
- MINNESOTA - CLOSED 'TEMPORARILY'
- MISSISSIPPI - 5% WITHDRAWALS INDEFINITELY
- MISSOURI - CLOSED UNTIL MARCH 7
- MONTANA - CLOSED INDEFINITELY
- NEBRASKA - CLOSED UNTIL MARCH 8
- NEVADA - CLOSED UNTIL MARCH 8
- NEW HAMPSHIRE - CLOSED INDEFINITELY
- NEW JERSEY - CLOSED UNTIL MARCH 7
- NEW MEXICO - MOST CLOSED UNTIL MARCH 8
- NEW YORK - CLOSED UNTIL MARCH 7
- NORTH CAROLINA - SOME ON 5% WITHDRAWALS
- NORTH DAKOTA - CLOSED 'TEMPORARILY'
- OHIO - MOST ON 5% WITHDRAWALS INDEFINITELY
- OKLAHOMA - CLOSED UNTIL MARCH 8
- OREGON - CLOSED UNTIL MARCH 7
- PENNSYLVANIA - CLOSED UNTIL MARCH 7 (EXCEPT FOR PITTSBURGH MELLON BANKS)
- RHODE ISLAND - CLOSED MARCH 4
- SOUTH CAROLINA - SOME CLOSED, SOME RESTRICTED ON BANKS' OWN OPTION
- TENNESSEE - SOME CLOSED, SOME RESTRICTED UNTIL MARCH 9
- TEXAS - MOST CLOSED; SOME RESTRICTED TO $10 PER DAY UNTIL MARCH 8
- UTAH - MOST CLOSED UNTIL MARCH 8
- VERMONT - CLOSED UNTIL MARCH 7
- VIRGINIA - CLOSED UNTIL MARCH 8
- WASHINGTON - SOME CLOSED UNTIL MARCH 7
- WEST VIRGINIA - 5% MONTHLY WITHDRAWALS INDEFINITELY
- WISCONSIN - CLOSED UNTIL MARCH 17
- WYOMING - 5% WITHDRAWLS INDEFINITELY
- [see Kennedy, pp. 155-156]

LORD NORMAN

If Herbert Hoover was hated in the United States, the Mephistophelean Lord Montagu Norman was hated all over Europe and all over the world with even better reason. Something of the feelings of the normal working bloke of the Clyde or the Midlands comes through in this summation by a British academic, made a quarter century ago: "[Norman's] career must surely rank as one of the most complete failures in public life in this century. His often-stated aim was to make London a successful, leading and powerful financial centre; to keep the pound sterling strong and stable; and to maintain the independence of the Bank, if possible in a leading role in an association with other similarly constituted central banks." [Sidney Pollard, p. 19]

But this partakes too much of the superficiality of the man in the street. If we compare Norman's achievements to his real goals in economic and financial warfare against the United States, France, and the rest of the world, Norman was highly successful. The British Establishment and the finance oligarchy of the City of London left no doubt that they were well pleased with Norman.

Norman was Governor of the Bank of England from 1920 until 1944. His was the longest term for a Bank of England boss during the twentieth century. Notice that more than half of Norman's tenure at the Bank of England came AFTER the British default of September, 1931. It was in fact in 1931 that Norman was rewarded with his reappointment as Governor of the Bank of England without time limit. In practice, Norman might have stayed on as Governor for life. After 1939, according to various accounts, the British oligarchy considered Norman's services even more indispensable in wartime because of his matchless expertise in economic and financial warfare. As it turned out, Norman retired from the Bank of England only in 1944 and only on medical advice after he had injured himself in a fall.

But there was no doubt at all of the oligarchy's glowing approval of Norman. His highest honor came when he was inducted into the House of Lords as the first Baron of St. Clere in 1944. The hereditary peerage for Norman was an accolade bestowed for his service in orchestrating the Crash of 1929 and the 1931 Disintegration of the world financial system. Montagu Norman lived

to see the dawn of the Bretton Woods era. Norman's stepson is Peregrine Worthshorne, the stridently fascist and anti-American columnist of Conrad Black's Hollinger Corporation paper, the London Sunday Telegraph. After Lord Norman's death, his marble bust was unveiled in one of the courtyards of the fortress on Threadneedle Street. So Norman's genocidal plotting was never disowned, only glorified, by those who counted most in Perfide Albion.

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